

## JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

## FIRST QUARTER MEETING

February 24, 2015

The Joint Committee on Public Employee Retirement held its 1st Quarter Meeting on Tuesday, February 24, 2015 at 8:00 am in House Hearing Room 4. Representative Leara called the meeting to order. Joint Committee members in attendance were Senators Chappelle-Nadal, Keaveny, Kehoe, Schaaf and Walsh and Representatives Anders, Bernskoetter, Runions and Walker. Representative Pierson was not in attendance.

Representative Leara led the committee in the first order of business to elect a new Chairman and Vice-Chairman. Representative Bernskoetter made the motion to elect Representative Leara as Chairman of the Joint Committee for a two year term with a second by Senator Schaaf. The motion passed by acclamation of the committee. Representative Leara made the motion to elect Senator Schaaf as the Vice-Chairman of the Joint Committee with a second by Representative Bernskoetter. Motion passed by acclamation of the committee.

The Chairman turned the meeting over to the Executive Director, Ronda Stegmann. The 2015 Annual Report to the General Assembly was reviewed. It was noted plan year 2013 aggregate actuarial accrued liabilities equaled \$75.8 billion, actuarial value of assets equaled \$58.9 billion and market value of assets equaled \$60.9 billion. Membership changes, net investment income and plan benefit payments were reviewed. It was noted that the number of benefit recipients has increased due to the fact that "baby boomers" are entering into retirement. A preliminary plan status for plan year 2014 was provided to the committee.

The Director discussed the recent Missouri Supreme Court decision to deny the application for transfer made by the Fireman's Retirement System of St. Louis. The Director then discussed the contribution deficiencies that are made by plans whose contribution amount is tied to tax levies. Representative Leara made a motion which was seconded by Senator Schaaf, for correspondence to be sent to these plans and have them be aware that the committee can be a resource for information and guidance. Motion passed by acclamation of the committee. The JCPER staff was contacted by the State Treasurer's office regarding payment of fees by the individual plans. After discussion the committee was in agreement of adding an emphasis in the Annual Survey of plans regarding payment of fees.

Legislation being tracked relative to pension issues was reviewed. It was noted that 29 bills are being monitored. The Director outlined HB 326, which clarifies statutory board education requirements apply to defined benefit plans only. This tracking information will be emailed weekly to the Committee members, but is updated daily and can be also be viewed on the JCPER website.



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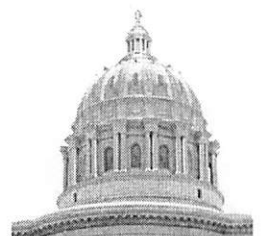
*(Continued)*

Quarterly reporting information was reviewed for the 4th quarter of 2014. Forty-four defined benefit plans participated in this reporting but it was noted that not all plans have their 4th quarter information available for reporting purposes. The Chairman requested that a history of quarterly plan reporting be available at the 2nd quarter meeting.

Under other business, the Director noted that the committee still has a vacancy and hoping that it will be filled soon. The 2nd Quarter Joint Committee on Public Employee Retirement (JCPER) meeting will be held before the end of session.

No further business being presented, the committee adjourned.

  
Ronda Stegmann  
Executive Director



# JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

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1st QUARTER MEETING  
February 24, 2015  
8:00 a.m.— House Hearing Room 4

## AGENDA

Roll Call

Election of Chair and Vice Chair

2015 Annual Report

### Plan Issues

*St. Louis Fire Judicial Review*  
*Contribution Deficiencies*  
*Fee payments*

Legislation

Quarterly Reporting

Other Business



**Joint Committee on Public Employee Retirement**  
*Chairman History*

Biennial Assembly	Chairman
2015-2016	
2013-2014	Representative Mike Leara
2011-2012	Senator Jason Crowell
2009-2010	Representative Ward Franz
2007-2008	Senator Jason Crowell
2005-2006	Representative Todd Smith
2003-2004	Senator Chuck Gross
2001-2002	Representative DJ Davis
1999-2000	Senator John Scott
1997-1998	Senator John Scott
1995-1996	Representative Jim O'Toole
1993-1994	Representative Mary Hagan-Harrell
1991-1992	Representative Clay*/Senator Henry Panethiere
1989-1990	Senator Henry Panethiere
1987-1988	Representative Gladys Marriott
1985-1986	Representative Gladys Marriott
1983-1984	Representative Gladys Marriott

*\*Rep. Clay was elected to the Senate – at 3<sup>rd</sup> qtr mtg, 09/12/91, Sen. Panethiere was voted Chairman.*

**21.553.** 1. There is established a permanent joint committee of the general assembly to be known as the "Joint Committee on Public Employee Retirement" to be comprised of six members of the senate and six members of the house of representatives. The senate members shall be appointed by the president pro tem of the senate and the house members shall be appointed by the speaker of the house. The appointment of members shall continue during their term of office as members of the general assembly or until a successor has been duly appointed to fill their place when their term of office as members of the general assembly has expired.

2. No political party shall be represented on the committee by more than three members from the senate nor by more than three members from the house.

(L. 1983 S.B. 393 § 1)

**21.555.** 1. The joint committee on public employee retirement shall meet within ten days after its creation and organize by selecting a chairman and a vice chairman, one of whom shall be a member of the senate and the other a member of the house of representatives.

2. The committee shall regularly meet at least quarterly.

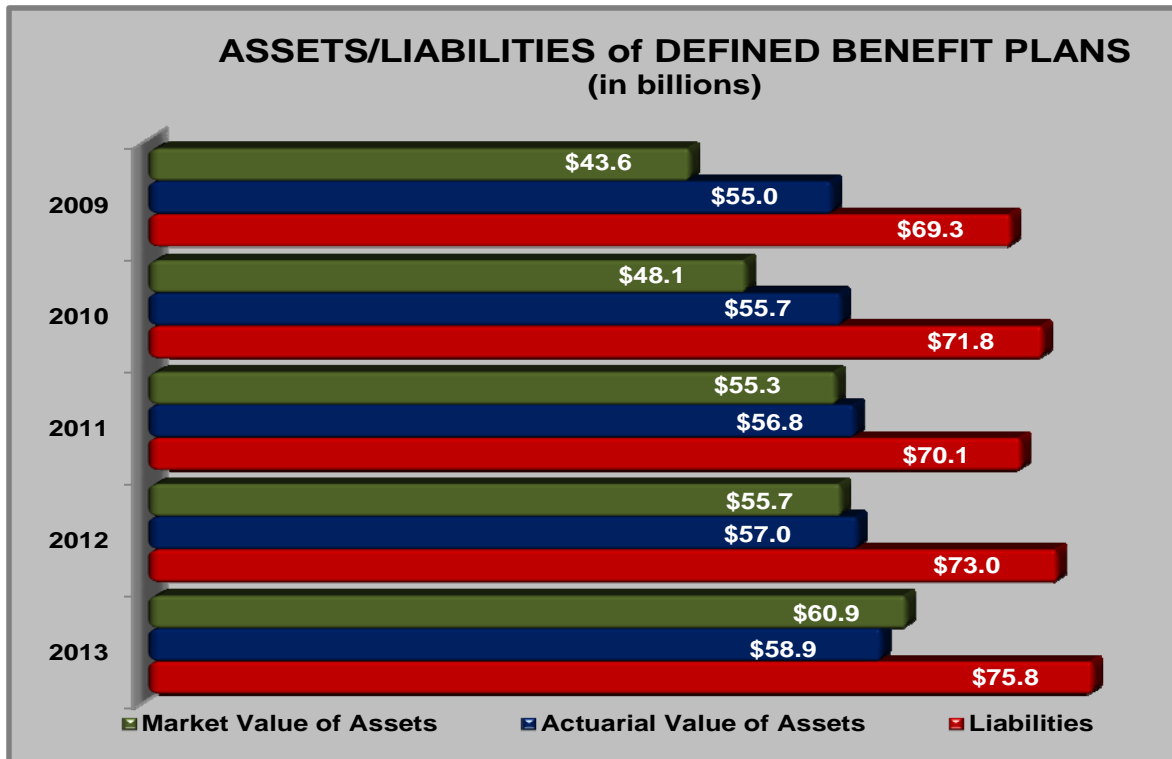
3. A majority of the members of the committee shall constitute a quorum.

4. The members of the committee shall serve without compensation but shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

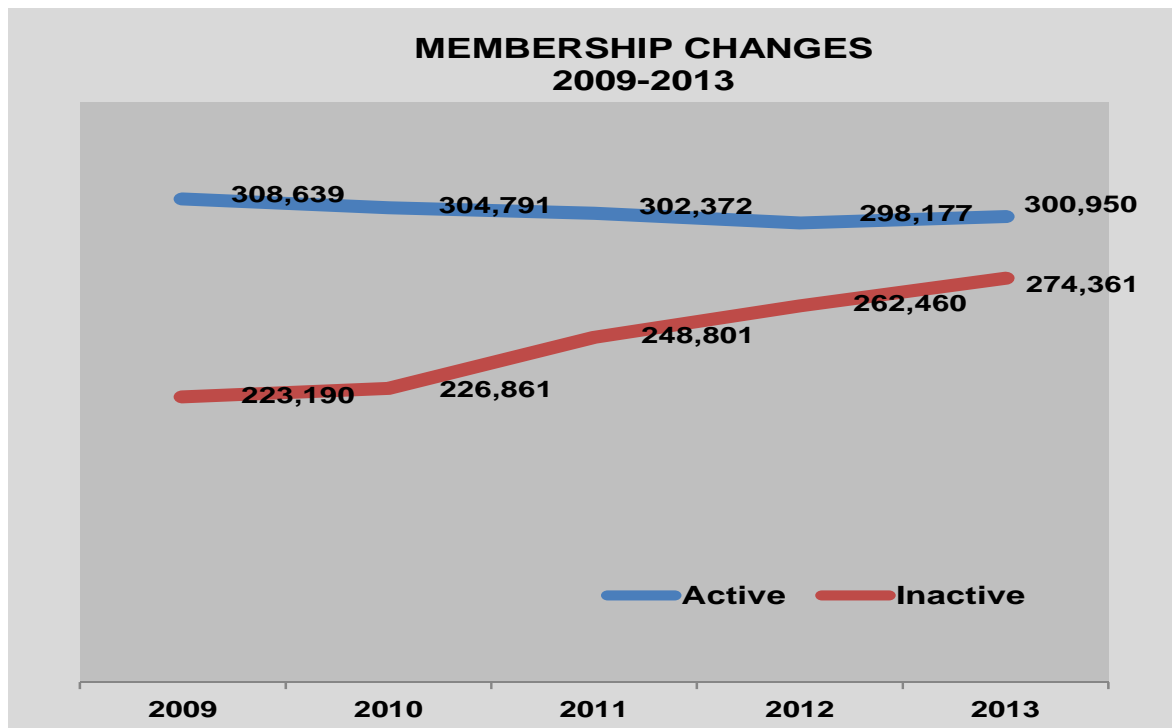
(L. 1983 S.B. 393 § 2, A.L. 1985 H.B. 695)

## 2015 JCPER Annual Report Summary

### Plan Year 2013 data

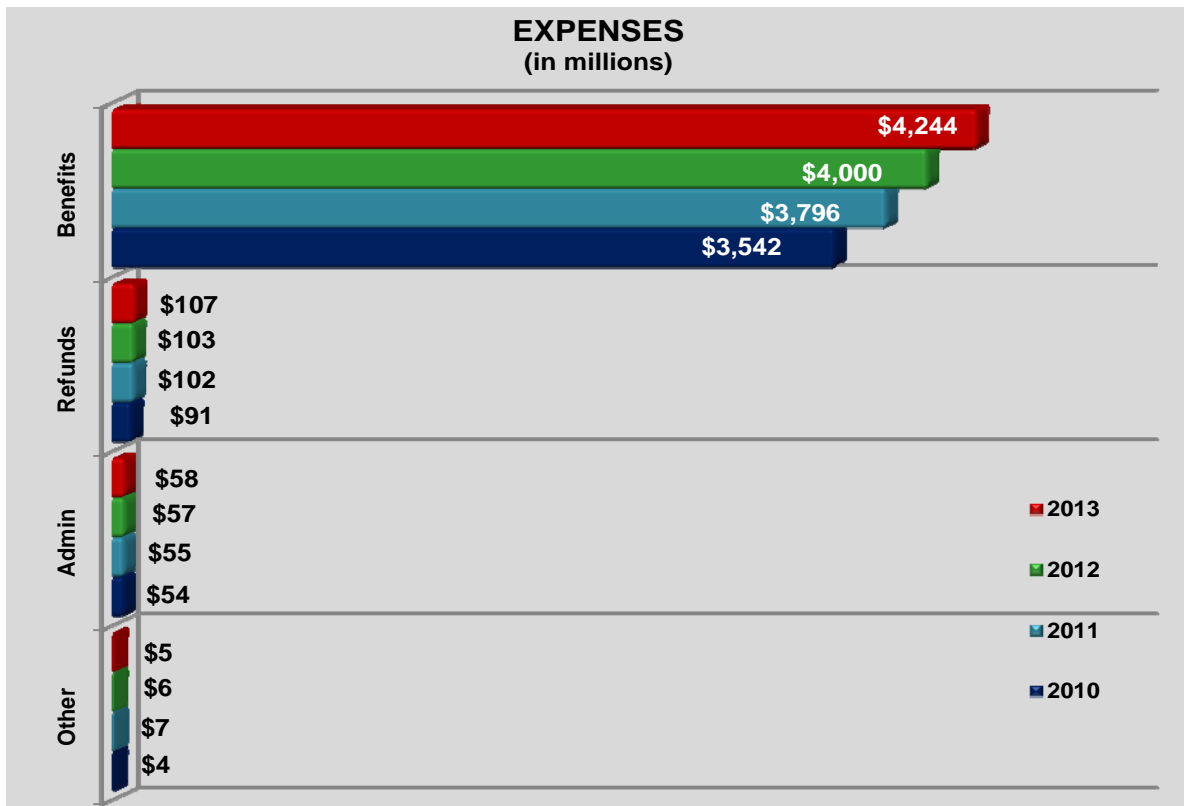
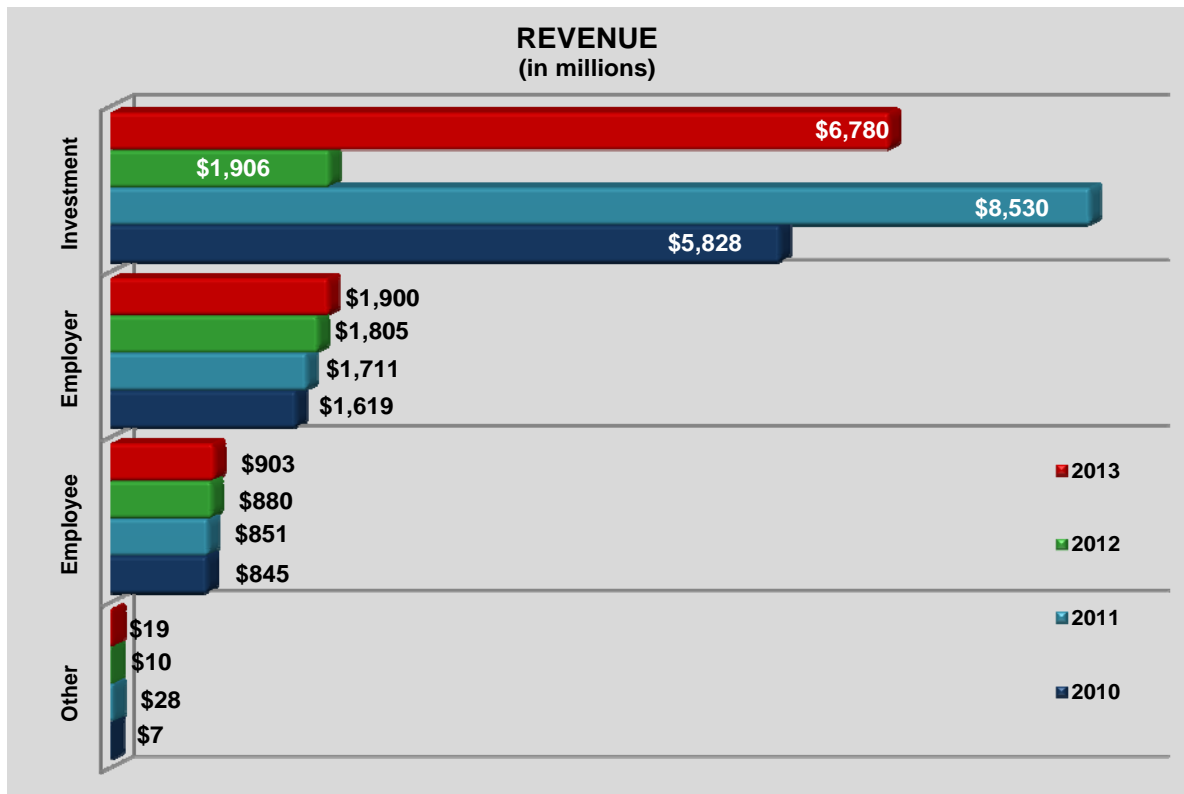


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# 2015 Annual Report



		PRELIMINARY PLAN YEAR 2014					
Plan	Net Investment Income	Total Assets (Market Value)	Total Assets (Actuarial Value)	Liabilities	Actuarial Funded Ratio	Unfunded Actuarial Accrued Liability	Plan year ended
PSRS	\$4,927,192,395	\$34,380,608,561	\$31,846,599,387	\$38,483,183,932	82.75%	\$6,636,584,545	June 30
MOSERS	\$1,484,709,539	\$9,136,781,826	\$8,637,758,955	\$11,494,571,835	75.15%	\$2,856,812,880	June 30
LAGERS	\$999,426,063	\$6,309,952,296	\$5,388,198,677	\$5,873,910,959	91.73%	\$485,712,282	Feb 28 & June 30
PEERS	\$544,153,967	\$3,846,322,885	\$3,584,719,233	\$4,211,488,832	85.12%	\$626,769,599	June 30
MPERS	\$319,445,655	\$1,937,268,639	\$1,795,264,291	\$3,650,241,741	49.18%	\$1,854,977,450	June 30
KC Employees	\$107,267,861	\$1,027,655,034	\$962,152,010	\$1,149,883,725	83.67%	\$187,731,715	April 30
KC Police	\$66,842,964	\$763,076,453	\$773,338,034	\$1,006,243,143	76.85%	\$232,905,109	April 30
KC Fire	\$46,050,767	\$465,216,027	\$452,378,238	\$583,167,922	77.57%	\$130,789,684	April 30
KC Civilian Police	\$9,764,444	\$117,341,038	\$119,075,893	\$155,264,022	76.69%	\$36,188,129	April 30
Judges	\$21,388,261	\$132,645,657	\$124,269,105	\$462,336,255	26.88%	\$338,067,150	June 30
Total	\$8,526,241,916	\$58,116,868,416	\$53,683,753,823	\$67,070,292,366		\$13,386,538,543	
Aggregate Funded Ratio		87%	80%				



Supreme Court Minutes - February 3, 2015

**APPLICATIONS FOR TRANSFER AND  
RECOMMENDATIONS FOR TRANSFER**

SC94569 The Fireman's Retirement System of St. Louis, et al.,  
Appellants, vs. The City of St. Louis, Respondent.

Appellants' application for transfer from the Missouri  
Court of Appeals, No. ED100209 consolidated with  
ED100265, denied.

<http://www.courts.mo.gov/SUP/index.nsf/cfc8c4b5bc15cb158625661d0073593c/69b2fb9d80463b0a86257de1005a279e?OpenDocument>

## 2015 RETIREMENT LEGISLATION - SENATE

SENATE BILLS			SENATE ACTION						HOUSE ACTION				OTHER ACTION	
Bill Number	System Affected	Description	Sponsor	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Perfected	Passed 3rd Read	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Governor Action
<a href="#"><u>SB 1</u></a>	MOSERS	Modifies provisions relating to elementary and secondary education <b>SCS Adds:</b> Allows employees of MO Charter Public School Commission to be considered state employees for retirement and health care purposes  <a href="#"><u>&lt;&lt; Fiscal Note</u></a>	Pearce	Education	Hearing Conducted	DP w/SCS 02/11/15	Informal Calendar Bills for Perfection							
<a href="#"><u>SB 79</u></a>	PACARS	Includes state prosecuting attorneys in PACARS upon adoption of such position by participating county  <a href="#"><u>&lt;&lt; Fiscal Note</u></a>	Dixon	Judiciary & Civil & Criminal Jurisprudence	Hearing Conducted 01/27/15									
<a href="#"><u>SB 80</u></a>	PACARS	Allows the utilization of a prosecuting attorney in two or more contiguous counties in a judicial circuit and outlines compensation/benefit levels for such position  <a href="#"><u>&lt;&lt; Fiscal Note</u></a>	Dixon	Judiciary & Civil & Criminal Jurisprudence	Hearing Conducted 01/27/15	DP w/SCS 02/03/15								
<a href="#"><u>SB 88</u></a>	Plans with appointed Board members	Provides that appointed officers shall only hold office until their term ends  <a href="#"><u>&lt;&lt; Fiscal Note</u></a>	LeVota	Financial & Governmental Agencies & Elections										
<a href="#"><u>SB 94</u></a>	MOSERS	Requires a General Assembly or Statewide Elected Official who first hold office on or after 01/01/16 to participate in a defined contribution retirement plan  <a href="#"><u>&lt;&lt; Fiscal Note</u></a>	Emery	General Laws & Pensions	Hearing Conducted 01/27/15									

## 2015 RETIREMENT LEGISLATION - SENATE

SENATE BILLS			SENATE ACTION						HOUSE ACTION				OTHER ACTION	
Bill Number	System Affected	Description	Sponsor	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Perfected	Passed 3rd Read	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Governor Action
<a href="#">SB 219</a> <a href="#">(HB 478)</a>	PSRS	Repeals the 07/01/14 termination date of a 2.55% benefit multiplier for teachers with 31 or more years of service  <a href="#">&lt;&lt; Fiscal Note</a>	Wallingford	General Laws & Pensions	02/24/15 3:00 pm SCR 1									
<a href="#">SB 238</a>	MOSERS/ MPERS/ JUDGES	Suspends retired state employees and retired judges benefit payments when employed full-time with a certain political subdivision in Missouri  <a href="#">&lt;&lt; Fiscal Note</a>	LeVota	General Laws & Pensions	02/24/15 3:00 pm SCR 1									
<a href="#">SB 270</a>	KC PSRS/ St. Louis PSRS	Adds a charter school representative to the Boards of Trustees  <a href="#">&lt;&lt; Fiscal Note</a>	Nasheed	General Laws & Pensions	Hearing Conducted 02/17/15									
<a href="#">SB 283</a> <a href="#">(HB 494)</a>	LAGERS	Allows a covered employer to elect LAGERS administration of a closed prior pension plan  <a href="#">&lt;&lt; Fiscal Note</a>	Kehoe	General Laws & Pensions	Hearing Conducted 02/17/15									
<a href="#">SB 300</a> <a href="#">(HB 629)</a>	KC Police & Civilian Police	Provisions relative to Internal Revenue Code compliance	Silvey	General Laws & Pensions	02/24/15 3:00 pm SCR 1									
<a href="#">SB 372</a> <a href="#">(HB 691)</a>	MOSERS/ Deferred Compensation Plan	Provides for automatic annual deferred compensation increases of 0.5% of salary to a maximum of 5% of salary for employees hired or rehired on or after 07/01/16	Keaveny											
<a href="#">SB 384</a>	Sheriff's Retirement System	Provides for compensation adjustments	Munzlinger											

## 2015 RETIREMENT LEGISLATION - HOUSE

HOUSE BILLS			HOUSE ACTION						SENATE ACTION				OTHER ACTION	
Bill Number	System Affected	Description	Sponsor	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Perfected	Passed 3rd Read	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Governor Action
<a href="#">HB 326</a>	All Defined Benefit Plans	Clarifies that Section 105.666 Board education requirements apply to public defined benefit pension plans  <a href="#">&lt;&lt; Fiscal Note</a>	Leara	Pensions										
<a href="#">HB 478</a> <a href="#">(SB 219)</a>	PSRS	Repeals the 07/01/14 termination date of a 2.55% benefit multiplier for teachers with 31 or more years of service  <a href="#">&lt;&lt; Fiscal Note</a>	Fitzwater	Pensions	Executive Session 02/24/15 9:00 am HHR 4									
<a href="#">HB 484</a>	MOSERS	Establishes a defined contribution plan for new elected officials becoming members after January 1, 2016	Koenig	Pensions										
<a href="#">HB 485</a>	MOSERS/ MPERS	Establishes a hybrid retirement plan for new state employees & elected officials	Koenig	Pensions										
<a href="#">HB 494</a> <a href="#">(SB 283)</a>	LAGERS	Allows a covered employer to elect LAGERS administration of a closed prior pension plan  <a href="#">&lt;&lt; Fiscal Note</a>	Leara	Pensions	02/24/15 9:00 am HHR 4									
<a href="#">HB 515</a>	St. Louis Police	Modifies certain provisions relative to disability determination process	Leara	Pensions										
<a href="#">HB 629</a> <a href="#">(SB 300)</a>	KC Police & Civilian Police	Provisions relative to Internal Revenue Code compliance	Leara	Pensions										
<a href="#">HB 630</a>	KC Police & Civilian Police	Modifies military leave as it relates to service credit	Leara	Pensions										

## 2015 RETIREMENT LEGISLATION - HOUSE

HOUSE BILLS			HOUSE ACTION						SENATE ACTION				OTHER ACTION	
Bill Number	System Affected	Description	Sponsor	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Perfected	Passed 3rd Read	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Governor Action
<a href="#">HB 643</a>	LAGERS	Allows participating political subdivisions to elect to cover certain employee classes as public safety employees  <a href="#">&lt;&lt; Fiscal Note</a>	Hinson	Pensions	02/24/15 9:00 am HHR 4									
<a href="#">HB 691</a> <a href="#">(SB 372)</a>	MOSERS/ Deferred Compensation Plan	Provides for automatic annual deferred compensation increases of 0.5% of salary to a maximum of 5% of salary for employees hired or rehired on or after 07/01/16	Leara	Pensions										
<a href="#">HB 750</a>	MOSERS/ MPERS	Does not require an employee who works 4-10 hour days to use annual leave for paid holidays	Walker											
<a href="#">HB 752</a>	All Public Plans	Clarifies provisions relative to pension forfeiture and felony convictions  <a href="#">&lt;&lt; Fiscal Note</a>	Dugger	Pensions	02/24/15 9:00 am HHR 4									
<a href="#">HB 770</a>	MOSERS/ MPERS	Allows a member who dies after benefit election but prior to annuity starting date to be considered retired and to have died on member's annuity starting date	Jones	Pensions										
<a href="#">HB 819</a>	LAGERS	Allows LAGERS covered hospitals to request a distribution of assets over 110% funded status	Rone											
<a href="#">HB 940</a>	MOSERS/ MPERS	Excludes pay in excess of the Governor's salary from the definition of pay for retirement benefit purposes for those first employed on or after 08/28/15	Jones											
<a href="#">HB 980</a>	MOSERS/ MPERS	Allows an employee who works 4-10 hour days the option to receive compensation only for an 8 hour work day for any paid holiday	Walton Gray											

## 2015 RETIREMENT LEGISLATION - HOUSE

HOUSE BILLS			HOUSE ACTION						SENATE ACTION				OTHER ACTION	
Bill Number	System Affected	Description	Sponsor	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Perfected	Passed 3rd Read	Committee Assigned	Date/ Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Governor Action
<a href="#"><u>HB 1008</u></a>	ST. LOUIS PSRS	Allows COLA increase for retired members and beneficiaries equal to the increase in the Consumer Price Index	Mitten											

# Joint Committee on Public Employee Retirement

## Quarterly Reports

### 2014 Fourth Quarter

<u>Plan Name</u>	<u>Beg. Market Value</u>	<u>End. Market Value</u>	<u>ROR 12 mos.</u>	<u>ROR 36 mos.</u>	<u>ROR 60 mos.</u>
Black Jack FPD Retirement Plan	\$11,103,572	\$11,410,189	1% (Net)	1% (Net)	1% (Net)
Brentwood Police & Firemen's Retirement Fund	\$31,775,336	\$32,577,020	N/A% (Gross)	N/A% (Gross)	N/A% (Gross)
Bridgeton Employees Retirement Plan	\$26,130,496	\$26,327,628	7.59% (Gross)	13.04% (Gross)	10.20% (Gross)
Carthage Policemen's & Firemen's Pension Plan	\$6,459,068	\$6,529,471	6.94% (Net)	9.32% (Net)	7.99% (Net)
Clayton Non-uniformed Employee Pension Plan	\$13,900,625	\$14,749,957	8.22% (Gross)	13.10% (Gross)	11.15% (Gross)
Clayton Uniformed Employees Pension Plan	\$35,878,941	\$36,835,067	7.36% (Gross)	11.96% (Gross)	10.37% (Gross)
County Employees Retirement Fund	\$425,173,000	\$431,570,000	4.61% (Gross)	12.62% (Gross)	10.34% (Gross)
Creve Coeur FPD Retirement Plan	\$10,273,399	\$10,355,453	n/a% (Gross)	n/a% (Gross)	n/a% (Gross)
Eureka FPD Retirement Plan	\$9,629,469	\$9,671,885	1% (Net)	1% (Net)	1% (Net)
Fenton FPD Retirement Plan	\$26,054,289	\$26,182,190	4.57% (Net)	10.99% (Net)	8.36% (Net)
Firefighter's Retirement Plan of the City of St. Louis	\$18,554,271	\$20,389,297	n/a% (Gross)	n/a% (Gross)	n/a% (Gross)
Florissant Employees Pension Plan	\$10,730,143	\$11,094,871	3.7% (Net)	6.05% (Net)	4.97% (Net)
Glendale Pension Plan	\$5,292,639	\$5,288,734	N/A% (Gross)	N/A% (Gross)	N/A% (Gross)
Hannibal Police & Fire Retirement Plan	\$13,750,993	\$15,057,886	8.2% (Gross)	11.2% (Gross)	9.4% (Gross)
Hazelwood Retirement Plan	\$35,170,730	\$35,609,442	7.15% (Net)	21.05% (Net)	14.54% (Net)
Jackson County Employees Pension Plan	\$232,314,927	\$238,636,659	5.3% (Gross)	12.6% (Gross)	9.9% (Gross)
Joplin Police & Fire Pension Plan	\$35,869,011	\$35,961,451	4.63% (Net)	8.65% (Net)	7.10% (Net)
Kansas City Civilian Police Employees' Retirement System	\$118,737,000	\$119,965,000	4.64% (Gross)	8.99% (Gross)	7.69% (Gross)
Kansas City Police Retirement System	\$768,499,000	\$771,881,000	4.83% (Gross)	9.19% (Gross)	7..87% (Gross)
Kansas City Supplemental Retirement Plan	\$1,483,870	\$1,428,266	na% (Net)	na% (Net)	na% (Net)
LAGERS Staff Retirement Plan	\$8,870,061	\$9,095,598	5.48% (Net)	12.45% (Net)	9.40% (Net)
Local Government Employees Retirement System	\$6,174,309,245	\$6,195,681,080	6.64% (Net)	12.98% (Net)	11.22% (Net)
Metro West FPD Retirement Plan	\$40,409,504	\$41,627,941	5.13% (Net)	9.06% (Net)	7.19% (Net)

*Please be aware information provided in this report may contain unaudited data.*

2/23/2015

<u>Plan Name</u>	<u>Beg. Market Value</u>	<u>End. Market Value</u>	<u>ROR 12 mos.</u>	<u>ROR 36 mos.</u>	<u>ROR 60 mos.</u>
Missouri State Employees Retirement System	\$8,990,765,487	\$8,755,876,677	7.3149% (Net)	10.1400% (Net)	9.6486% (Net)
MoDOT & Highway Patrol Employees' Retirement System	\$1,917,732,859	\$1,940,984,204	10.77% (Net)	12.87% (Net)	11.32% (Net)
North Kansas City Hospital Retirement Plan	\$234,316,189	\$241,110,549	Waiting on% (Net)	Waiting on% (Net)	Waiting on% (Net)
North Kansas City Policemen's & Firemen's Retirement Fund	\$47,230,877	\$47,833,668	7.0% (Gross)	12.3% (Gross)	10.2% (Gross)
Olivette Salaried Employees' Retirement Plan	\$19,215,479	\$19,614,493	7.8% (Net)	12.7% (Net)	10.9% (Net)
Overland Non-uniform Pension Fund	\$9,815,000	\$9,611,000	5.2% (Net)	10.61% (Net)	8.17% (Net)
Overland Police Retirement Fund	\$12,957,000	\$13,047,000	5.60% (Net)	10.98% (Net)	8.38% (Net)
Public Education Employees' Retirement System	\$3,787,453,968	\$3,853,495,375	7.8% (Net)	12.1% (Net)	10.2% (Net)
Public School Retirement System	\$33,711,356,849	\$34,061,265,518	7.8% (Net)	12.3% (Net)	10.4% (Net)
Richmond Heights Police & Fire Retirement Plan	\$46,506,609	\$47,815,623	19.04% (Net)	11.54% (Net)	14.18% (Net)
Rock Hill Police & Firemen's Pension Plan	\$1,912,375	\$1,918,509	1.25% (Net)	1.25% (Net)	1.25% (Net)
Saline Valley Fire Protection District Retirement Plan	\$1,714,067	\$1,798,881	16.27% (Net)	8.04% (Net)	13.13% (Net)
Sedalia Firemen's Retirement Fund	\$7,310,327	\$7,323,692	.2% (Gross)	11.4% (Gross)	9.4% (Gross)
Sedalia Police Retirement Fund	\$3,144,872	\$3,082,069	1.95% (Gross)	7.40% (Gross)	0% (Gross)
Sheriff's Retirement System	\$3,800,300	\$39,016,468	6.78% (Gross)	13.38% (Gross)	10.697% (Gross)
St. Joseph Policemen's Pension Fund	\$34,619,544	\$35,481,184	13.7% (Gross)	8.3% (Gross)	12.7% (Gross)
St. Louis County Employees Retirement Plan	\$601,869,838	\$599,078,294	5.98% (Gross)	13.10% (Gross)	10.90% (Gross)
St. Louis County Library Dist Empl Pension Plan	\$41,581,492	\$41,524,698	4.9% (Net)	9.87% (Net)	7.64% (Net)
St. Louis Firemen's Retirement System	\$497,604,644	\$491,605,038	5.46% (Gross)	12.99% (Gross)	10.73% (Gross)
St. Louis Public School Retirement System	\$905,938,094	\$926,864,739	4.5% (Net)	10.8% (Net)	9.3% (Net)
Valley Park FPD Retirement Plan	\$5,117,612	\$5,234,809	7.60% (Net)	12.59% (Net)	9.84% (Net)
	<u>\$58,942,333,071</u>	<u>\$59,251,508,573</u>			