

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT
SECOND QUARTER MEETING
May 2, 2013

The Joint Committee on Public Employee Retirement held its 2nd Quarter Meeting on Thursday, May 2, 2013 at 8:00 am in House Hearing Room 1. With a quorum being established, Representative Leara called the meeting to order. Joint Committee members in attendance were Senators Chappelle-Nadal, Keaveny, Kehoe, Lamping and Walsh and Representatives Anders, Bernskoetter, Pierson, Runions and Wieland. Senator Rupp was not in attendance.

Representative Leara turned the meeting over to the Executive Director, Ronda Stegmann. The Director presented action items that require approval of the committee. The Director discussed annual request for salary increases equal to those passed by the appropriations process for all state employees. Additionally, the Director requested the authority from the committee to work with House and Senate Human Resource departments to hire a interim part-time employee to assist with historic record preservation. The committee discussed the conference held by the Missouri Association of Public Employee Retirement Systems (MAPERS). The Director indicated the committee must approve conference expenses for staff and/or committee members to attend. Representative Anders moved to approve conference expenses for staff and members attendance. Senator Keaveny seconded the motion. Motion passed with one no vote from Senator Walsh. Senator Keaveny made the motion to approve the budgetary items. Senator Lamping seconded the motion. By unanimous consent, the Committee approved proposed salary increases for JCPER staff at levels included in the finalized FY 14 state budget and hiring of interim staff.

The Director discussed the provisions of Section 610.023, RSMo in regards to appointment of a custodian of JCPER records. When requests for information are made, this would enable the Executive Director to certify the submission as the committee's custodian of records. Senator Walsh made the motion to appoint the Executive Director position as JCPER records custodian. Senator Kehoe seconded the motion. By unanimous consent, the motion passed.

Annual plan survey procedure was discussed. The Director indicated the surveys had not yet been sent to the pension plans to allow for modification of the survey format and survey questions. Senator Lamping requested questions regarding plan investment assumptions and upcoming Governmental Accounting Standards Board (GASB) changes be included in the survey. It was also noted during discussion that there should be an effort made to collect information relative to Other Post Employment Benefits (OPEB) given a liability is generated by these benefits. The Director is to work with the Chairman on modified annual survey format and questions.

The Director discussed agenda items associated with plan updates and issues. Statutory plan status was reviewed stemming from a request by Senator Chappelle-Nadal to assist in awareness of plan liability and action taken by plan's to address that liability. The Director indicated many plans have proposed or implemented benefit changes or policies to address unfunded liabilities. Additionally, correspondence sent to the committee expressing concern regarding the Joplin Police & Fire Retirement Plan was discussed. This correspondence was authored by a retired member of that plan. It was the consensus of the committee that Director should contact representatives from Joplin Police & Fire Retirement Plan and the City of Joplin on behalf of the committee to discuss these concerns and how the JCPER can help with these issues.

The Director provided a brief legislative history of public pension plans and Missouri Based Investments. Senator Kehoe requests an inquiry relative to Missouri Based Investments be included in the annual survey. The committee was in agreement with this request.

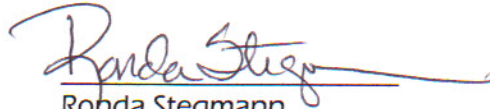


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The Director discussed the governing statutes of the JCPER and public pension plans contained in Chapters 21 and 105, RSMo. It was noted many of these statutory provisions have not been modified in 30 years. The Director requested the authority to work with legislative staff offices such as the Committee on Legislative Research to review these statutory provisions and return to the committee with recommendations for modification and consideration of potential legislation in 2014. The committee agreed with this request.

The Director reviewed pension related legislation that appear to be moving through the legislative process. It is was noted 15 bills are being tracked with the most common provision being associated with the Prosecuting Attorneys and Circuit Attorneys Retirement System (PACARS). The committee will receive an abbreviated status report of the proposals moving on a more frequent basis over the last weeks of the legislative session.

No further business being presented, the committee adjourned.


Ronda Stegmann
Executive Director



Senator Kehoe
Senator Lamping
Senator Rupp
Senator Chappelle-Nadal
Senator Keaveny
Senator Walsh
Rep. Bernskoetter
Rep. Leara
Rep. Wieland
Rep. Anders
Rep. Pierson
Rep. Runions



Administration - Sherry Koetting
Bill Room
Bulletin Board
Communications
Computer Information Systems
Oversight
Sec. of Senate - Terry Spieler
Senate Research
Sergeant-at-arms

Joint Committee on Public Employee Retirement

Day: Thursday, May 02, 2013

Time: 8:00 am

Place: House Hearing Room 1

2nd Quarter Meeting

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

2nd QUARTER MEETING

May 2, 2013

8:00 a.m.

House Hearing Room 1

AGENDA

Roll Call

Budgetary Items*

Salary Approval

Interim Staff

MAPERS Approval

Records Custodian*

Annual Plan Surveys

Plan Updates/Issues

Statutory Plans

Joplin Police & Fire Retirement Plan

Missouri-Based Investments

Statutory Provisions

Legislation

Other Business

**Action Items*



PROPOSED SALARY INCREASES

	Current Annual Pay Rates	Proposed State Employee increase of \$500 beginning January 1, 2014*
Director	\$59,516	\$60,016
Analyst	\$40,000	\$40,500

**Any committee approval would be contingent upon pay provisions passed in the FY14 appropriations process.*

ESTIMATED MAPERS CONFERENCE EXPENSES

<u>Staff</u>	
Registration	\$150.00
Lodging	\$324.00
Travel	\$70.00
Total	\$544.00

<u>JCPER Members</u>	
Registration	*
Lodging	\$216.00
Travel	\$35.00
Total	\$251.00

** MAPERS waiving Registration for JCPER members*

JCPER FY 13 Appropriation	\$163,568
Total Approximate Expenditures (as of 04/30/13)	\$85,066
Balance available as of 04/30/13	\$78,502



Missouri Association of Public Employee Retirement Systems

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Conference

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[Lodging](#)
[Conference Dates](#)

Conference Agenda



MAPERS 2013 Conference "Change - Challenge - Opportunity"

July 10 - 12, 2013 Tan-Tar-A Resort

Wednesday, July 10, 2013 **Trustees Training Workshop Sessions** **Open to Plan Sponsor & Associate Members**

12:30 - 1:00 pm	Sunshine Law Requirements , Tom Durkin, Office of Attorney General
12:30 - 1:00 pm	Fiduciary Responsibility , Bill Ackerman, Klausner, Kaufman, Jensen & Levinson
1:05 - 1:35 pm	Beginning Investments , Brian Collett, LAGERS
1:05 - 1:35 pm	Sunshine Law Requirements , Tom Durkin, Office of Attorney General
1:55 - 2:25 pm	Beginning Actuarial Funding , Ken Alberts, Gabriel, Roeder, Smith & Company
1:55 - 2:25 pm	Missouri Legal Issues , Dan Toebben, Danna McKittrick
2:30 - 3:00 pm	Governance vs. Management of a Retirement System , Keith Hughes, LAGERS
2:30 - 3:00 pm	Missouri Legal Issues , Dan Toebben, Danna McKittrick
3:05 - 3:35 pm	Advanced Investments , Brian Collett, LAGERS
3:05 - 3:35 pm	Fiduciary Responsibility , Bill Ackerman, Klausner, Kaufman, Jensen & Levinson
3:55 - 4:25 pm	Advanced Actuarial Funding , Ken Alberts, Gabriel, Roeder, Smith & Company
3:55 - 4:25 pm	Governance vs. Management of a Retirement System , Keith Hughes, LAGERS
5:30 - 7:00 pm	<i>Whole Hog Reception - Open to all Attendees/Guests/Family (Name Tags Required)</i>

Thursday, July 11, 2013 **General Session, Salon A, 6th Floor - Open to All Registrants**

7:00 - 8:15 am	<i>Breakfast Buffet - Open to all Attendees/Guests/Family (Name Tags Required)</i>
8:15 - 8:30 am	Opening Remarks - Bob Wilson, MAPERS Board President
8:30 - 8:55 am	GASB - Traci Christian, McCloud & Nichols
9:00 - 9:25 am	What to Expect from your Actuary - Ken Alberts, Gabriel, Roeder, Smith & Co.
9:30 - 9:55 am	Outlook of Equity Markets - John Rackers, Kennedy Capital
10:10 - 10:35 am	Hedge Funds - Art Holly, Financial Risk Management
10:40 - 11:05 am	Hedge Funds as a Diversifier - Renee Haugerud, Galtere, Ltd.
11:10 - 11:35 am	DC & 457 Plan Fee Structures & Hidden Fees - Genelle Brakefield, Ekon Benefits
11:40 - 12:00 N	<i>Awards & Sponsor Recognition</i>
12:00 - 1:15 pm	<i>Lunch - Open to all Attendees/Guests/Family (Name Tags Required)</i>
1:15 - 2:15 pm	Keynote Speaker - Erin Brockovich
2:30 - 3:30 pm	Social Networking Fraud/Cyber Crime - John Sileo, Think Like a Spy
3:30 - 4:45 pm	Economic Conditions - Robert Jaeger, BNY Mellon
5:30 - 7:00 pm	<i>Evening Reception - Open to all Attendees/Guests/Family (Name Tags Required)</i>

Friday, July 12, 2013 **General Session, Salon A, 6th Floor - Open to All Registrants**

7:00 - 8:15 am	<i>Breakfast Buffet - Open to all Attendees/Guests/Family (Name Tags Required)</i>
8:15 - 8:45 am	Reframing the Debate - Bob Wilson, MAPERS Board President
8:45 - 10:15 am	Two Feet Back - Grant Korgan, Korg 3.0 Movement
10:30 - 11:00 am	Investing - Emerging Markets Consumer - Kanul Ghosh, Allianz Global Invest.
11:00 - 11:30 am	Capital Report - Ronda Stegmann, Joint Committee on Public Emp.Ret. (JCPER)
11:30 - 12:00 N	General Business Meeting/Working Lunch , Bob Wilson, MAPERS Board President
11:30 - 12:00 N	<i>Sub-sandwich Lunch - Open to all Attendees/Guests/Family (Name Tags Required)</i>

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Missouri Revised Statutes

Chapter 610

Governmental Bodies and Records

Section 610.023

August 28, 2012

Records of governmental bodies to be in care of custodian, duties--records may be copied but not removed, exception, procedure--denial of access, procedure.

610.023. 1. Each public governmental body is to appoint a custodian who is to be responsible for the maintenance of that body's records. The identity and location of a public governmental body's custodian is to be made available upon request.

2. Each public governmental body shall make available for inspection and copying by the public of that body's public records. No person shall remove original public records from the office of a public governmental body or its custodian without written permission of the designated custodian. No public governmental body shall, after August 28, 1998, grant to any person or entity, whether by contract, license or otherwise, the exclusive right to access and disseminate any public record unless the granting of such right is necessary to facilitate coordination with, or uniformity among, industry regulators having similar authority.

3. Each request for access to a public record shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request is received by the custodian of records of a public governmental body. If records are requested in a certain format, the public body shall provide the records in the requested format, if such format is available. If access to the public record is not granted immediately, the custodian shall give a detailed explanation of the cause for further delay and the place and earliest time and date that the record will be available for inspection. This period for document production may exceed three days for reasonable cause.

4. If a request for access is denied, the custodian shall provide, upon request, a written statement of the grounds for such denial. Such statement shall cite the specific provision of law under which access is denied and shall be furnished to the requester no later than the end of the third business day following the date that the request for the statement is received.

(L. 1987 S.B. 2, A.L. 1998 H.B. 1095, A.L. 2004 S.B. 1020, et al.)

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Missouri General Assembly

Statutory Public Pension Plans - Plan Year 2012

Plan	Total Assets (Market Value)	Total Assets (Actuarial Value)	Liabilities	Unfunded Actuarial Accrued Liability	Funded Ratio		Employee Contribution Rate	Social Security
					Market	Actuarial		
PSRS	\$ 27,816,772,562	\$ 29,013,002,242	\$ 35,588,030,639	\$ 6,575,028,397	78.16%	81.52%	14.50%	no
<i>Funding Stabilization Policy was adopted by the Board in 2011</i>								
MOSERS	7,581,882,309	7,897,167,203	10,793,651,577	2,896,484,374	70.24%	73.16%	4.00%	yes
<i>Implemented a new tier for employees hired after 1/1/11</i>								
LAGERS	4,679,128,010	4,274,440,345	5,120,274,198	845,833,853	91.38%	83.48%	0 or 4%	yes
PEERS	2,964,557,038	3,090,879,968	3,746,347,306	655,467,338	79.13%	82.50%	6.86%	yes
<i>Funding Stabilization Policy was adopted by the Board in 2011</i>								
MPERS	1,541,403,546	1,531,033,613	3,306,278,671	1,775,245,058	46.62%	46.31%	4.00%	yes
<i>Implemented a new tier for employees hired after 1/1/11</i>								
KCPSRS*	681,930,606	742,297,611	874,286,498	132,006,887	78.00%	85.00%	7.50%	yes
<i>Offering a new tier for members hired on or after 1/1/14 (SB 223 & HB 861)</i>								
SLPSRS	868,086,018	925,389,359	1,090,318,706	164,929,347	80.00%	85.00%	5.00%	yes
KC Police	687,870,657	734,375,923	972,127,874	237,751,951	70.76%	75.54%	10.55%	no
<i>Offering a new tier for members hired on or after 8/28/13 (SB 215 & HB 418)</i>								
St. Louis Police	\$ 653,862,993	\$ 674,080,072	\$ 864,762,285	\$ 190,682,213	75.61%	77.95%	7.00%	no
<i>Offering a new tier for members hired on or after 10/01/13 (HB 897); offered this in 2011</i>								

Statutory Public Pension Plans - Plan Year 2012

Plan	Total Assets (Market Value)	Total Assets (Actuarial Value)	Liabilities	Unfunded Actuarial Accrued Liability	Funded Ratio		Employee Contribution Rate	Social Security
					Market	Actuarial		
St. Louis Fire	450,160,998	427,123,970	453,529,070	26,405,100	99.26%	94.18%	8.00%	no
<i>New disability tier was enacted in 2011; offering new tier for members hired on or after 8/29/13 (SB 107)</i>								
KC Civilian Police	101,192,338	108,018,073	142,907,530	34,889,457	70.81%	75.59%	5.00%	yes
<i>Offering a new tier for members hired on or after 8/28/13 (SB 215 & HB 418)</i>								
Judges	99,837,257	102,266,706	413,332,538	311,065,832	24.15%	24.74%	4.00%	yes
<i>Implemented a new tier for employees hired after 1/1/11</i>								
CERF	326,820,719	331,189,281	482,565,132	151,375,851	67.73%	68.63%	Non Lagers - 6% Lagers - 4%	yes
PACARS	29,154,136	30,205,389	35,051,464	4,846,075	83.18%	86.17%	0.00%	yes
<i>2013 Proposal expanding the current \$4 surcharge include fines paid through a fine collection center (HB 169)</i>								
Sheriffs*	29,329,109	31,010,301	34,302,866	3,292,565	85.50%	90.40%	0.00%	yes
<i>Offering that the current surcharge go from \$3 to \$2 but include municipal ordinances (SB 355 & HB 424)</i>								
Total	<u>\$ 48,511,988,296</u>	<u>\$ 49,912,480,056</u>	<u>\$ 63,917,766,354</u>	<u>\$ 14,005,304,298</u>				

*Represents Plan Year 2011 data

RECEIVED
MAR 19 2013

BY:

To: Joint Committee on Public Employee Retirement

The purpose of this letter is to bring your attention to several issues with the Fire & Police Pension Plan of Joplin, Missouri.

As a current retiree and former trustee of our plan, I and other members feel it is our obligation to inform you of the following concerns:

1. Education of Trustees

There is no effort being made for trustees to receive education of their duties and responsibilities toward the oversight of the pension plan. The rules that were set forth as a result of our plan being on the Troubled Plan Watch List are not being followed and any other statements to the contrary would be misleading to the committee.

2. Auditing of the Joplin Fire & Police Pension Plan

The plan was formed in 1946 and has never undergone a true internal accounting audit. According to the information we received at the MAPERS Education Conference, an internal accounting audit should be done every 5 years. The membership has been informed year after year by the Administrator of the Plan/ City Finance Director that the plan is audited each year as a part of the overall audit of the City of Joplin and that audit reveals no problems. However, in 2009 the Administrator was forced to admit in a Board Meeting that an employee had not been paying into the plan the first 28 months of their employment. This was the highest contributing member of the plan which led to a shortage of over \$35,000 to the plan. The Administrator commented to the local newspaper, The Joplin Globe, that the audit had revealed the mistake. However, after another trustee said that she had stated in an earlier meeting the audit revealed no problems she was forced to give a corrected statement to the Joplin Globe, in which she stated that in fact the audit did not catch the problem and that the employee actually came forward with the mistake. A letter was sent by another former trustee asking the audit firm how this was missed, but was given no reply. Since that time, during an investigation of a lawsuit over disability pay, the board was informed of several overpayments (\$40,000) and underpayments made to beneficiaries receiving benefits. The Board discussed accounting audits of the plan in these instances but was stonewalled by the City Attorney (legal advisor to the board) stating that an audit wasn't necessary and would be too costly.

3. Plan Needs a Third Party Administrator

The pension plan is approaching the 30 million dollar mark and we feel that the City of Joplin Finance Director does not have the time to administer the plan properly given the mistakes that have been revealed and the refusal to allow the plan to undergo a proper audit. The Finance Director always tells the board things will be done when she can find the time to do them. The latest example involves a million dollars that took over four months to get deposited into the pension account which lost more revenue from investment returns because she stated she had not had the time. This lack of concern resulted in over \$70,000 lost in returns to the plan. (Email enclosed with this letter.)

4. Plan Needs Independent Legal Counsel

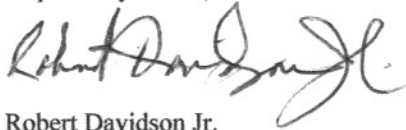
The City Attorney is currently the legal counsel for the pension plan and this is obviously a conflict of interest. The pension plan is currently defending a lawsuit that was brought by a beneficiary of our plan over a reduction of his duty disability benefit. The City Attorney has led the Board of Trustees down a path that resulted in the suit being filed sighting that the membership had voted to reduce disability benefits when in reality the membership voted to allow for a reduced "normal" retirement benefit so the City could hire a Police Chief who had no intention of reaching twenty years of service to qualify. The Circuit Court Judge has ruled in favor of the beneficiary in this case. However, the City Attorney has convinced the board to appeal the ruling. In another matter, the City Attorney has informed the board that the Internal Revenue Service was requiring a change in the plan in order to maintain its current tax status. He advised the board to add "duty death" but not "duty disability" as required by HEROES EARNINGS ASSISTANCE AND RELIEF TAX ACT OF 2008. The City Attorney said the plan could not include

"duty disability" because this would be a new benefit and the JCPER would not allow it because of our funding level, however, no contact has ever been made to the JCPER in this matter.

The City Attorney and Finance Director have many duties in the city and are not able to devote the time needed to this plan. The plan has made changes to bring about a fully funded plan in the next twenty three years, but costly mistakes are slowing that goal. Just the three mistakes given in this letter will cost the plan over a half million dollars in earnings in the next twenty years and the membership is concerned there are more mistakes that have not yet been uncovered.

I trust that these issues are worthy of your concern. I ask for your guidance to remedy these issues as the board is incapable of addressing them.

Respectfully Yours,

A handwritten signature in dark ink, appearing to read "Robert Davidson Jr.", written in a cursive style.

Robert Davidson Jr.

Joplin Police & Fire Retirement Plan

Funded Ratio

Nov 1	Market Value	Actuarial Value	Liabilities	Unfunded Actuarial Accrued Liability	MV	AV
2012	\$ 28,359,384	\$ 28,678,333	\$ 53,113,500	\$ 24,435,167	53.39%	53.99%
2011	27,053,135	27,463,741	51,495,365	24,031,624	52.54%	53.33%
2010	26,194,324	25,518,976	44,434,007	18,915,031	58.95%	57.43%
2009	22,901,458	23,231,978	42,292,408	19,060,430	54.15%	54.93%
2008	17,348,384	20,818,061	40,827,363	20,009,302	42.49%	50.99%
2007	25,392,571	22,896,993	39,279,954	16,382,961	64.65%	58.29%
2006	22,161,826	21,123,764	37,043,414	15,919,650	59.83%	57.02%
2005	19,302,683	19,722,351	33,384,405	13,662,054	57.82%	59.08%
2004	17,861,758	18,759,224	32,073,023	13,313,799	55.69%	58.49%
2003	16,618,908	17,796,728	30,086,731	12,290,003	55.24%	59.15%
2002	14,309,491	16,775,548	28,525,157	11,749,609	50.16%	58.81%
2001	14,984,668	16,013,559	27,009,397	10,995,838	55.48%	59.29%

Employer Contributions

Ending Oct 31	Annual Required Contribution	Actual	% Contributed
2014	\$ 2,737,752	N/A	N/A
2013	2,580,017	N/A	N/A
2012	2,214,118	\$ 2,473,301	111.7%
2011	2,214,118	2,653,556	119.8%
2010	2,206,690	1,797,683	81.5%
2009	2,169,744	2,443,752	112.6%
2008	1,761,639	1,201,804	68.2%
2007	1,821,934	1,091,380	59.9%
2006	1,374,361	1,395,340	101.5%
2005	1,334,841	1,068,332	80.0%
2004	1,234,197	1,023,804	83.0%
2003	1,189,928	1,014,212	85.2%

Date Established: 1947 Social Security Coverage: no

Employee Contribution Rate : Hired before 01/31/09 18.08%
Employee Contribution Rate: Hired after 01/31/09 10.00%
Employer Contribution Rate: (13/14) 30.87%

Employees Covered: Membership: Active: 199
Full-time police officers & firefighters Inactive: 156

Normal Retirement Eligibility: Hired before 1/31/09, 2.5% of compensation for the first 20 YOS,
plus 1% for each of the next 15 years; maximum 65% of compensation
Hired after 1/31/09, 2.2% of compensation for first 25 YOS,
plus 1% for each of the next 5 years of service; maximum 60% of compensation

Normal Retirement Benefit: 20 YOS age 60 w/1 YOS (hired before 1/31/09)
25 YOS age 60 (hired after 1/31/09)

COLA Provisions: No COLA

Investment ROR Assumption: 7%
Amortization/Unfunded Liability: Closed 30 year period as of 2006 - 24 years as of 10/31/12
Asset Smoothing Period: 5 years

Average Annual Retirement Benefit: \$17,481

Missouri Public Pensions and Missouri Based Investments History

In 1987, the Missouri General Assembly passed Senate Bill 20 (J. Scott) which required the Missouri State Employees' Retirement System (MOSERS) and the MoDOT and Patrol Employees' Retirement System (MPERS) to invest 3 to 5% of their assets in Missouri based small business enterprises or venture capital funds. At that time, this required allocation equaled approximately \$42 to 70 million. Also included in Senate Bill 20 were "prudent person" investment provisions and preference for Missouri based companies when selecting a venture capital firm, a consultant or a fiduciary.

MOSERS and MPERS worked to meet this statutory investment requirement. Both systems hired investment professionals to assist in this endeavor. Problematic issues were encountered in meeting these requirements including, bankruptcy of an invested business, direct investments without protection of a fund of funds type vehicle.

In 1989, due to a heightened level of risk, MOSERS moved away from the previous private equity investment plan.

In 1992, the Missouri General Assembly passed Senate Bill 499 (S. Johnson) which repealed the investment requirements associated with MOSERS/MPERS Missouri based investments from Senate Bill 20.

Missouri Revised Statutes

Chapter 105

Public Officers and Employees--Miscellaneous Provisions

Section 105.688

August 28, 2012

Investment fiduciaries, duties.

105.688. The assets of a system may be invested, reinvested and managed by an investment fiduciary subject to the terms, conditions and limitations provided in sections 105.687 to 105.689. An investment fiduciary shall discharge his or her duties in the interest of the participants in the system and their beneficiaries and shall:

- (1) Act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims;
- (2) Act with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered;
- (3) Make investments for the purposes of providing benefits to participants and participants' beneficiaries, and of defraying reasonable expenses of investing the assets of the system;
- (4) Give appropriate consideration to those facts and circumstances that the investment fiduciary knows or should know are relevant to the particular investment or investment course of action involved, including the role of the investment or investment course of action plays in that portion of the system's investments for which the investment fiduciary has responsibility. For purposes of this subdivision, "appropriate consideration" shall include, but is not necessarily limited to a determination by the investment fiduciary that a particular investment or investment course of action is reasonably designed, as part of the investments of the system, to further the purposes of the system, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment course of action; and consideration of the following factors as they relate to the investment or investment course of action:
 - (a) The diversification of the investments of the system;
 - (b) The liquidity and current return of the investments of the system relative to the anticipated cash flow requirements of the system; and
 - (c) The projected return of the investments of the system relative to the funding objectives of the system;
- (5) Give appropriate consideration to investments which would enhance the general welfare of this state and its citizens if those investments offer the safety and rate of return comparable to other investments available to the investment fiduciary at the time the investment decision is made.

(L. 1987 S.B. 20 § 2)

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Missouri Revised Statutes

Chapter 105

Public Officers and Employees--Miscellaneous Provisions

Section 105.689

August 28, 2012

Investment fiduciary may make investments in certain countries.

105.689. Nothing in sections 105.687 to 105.689 shall prevent any investment fiduciary from making investments in any company which does business in any country with which the United States maintains diplomatic relations.

(L. 1987 S.B. 20 § 3, A.L. 1992 S.B. 499, et al.)

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[Missouri General Assembly](#)

Missouri Revised Statutes

Chapter 105 **Public Officers and Employees--Miscellaneous Provisions** **Section 105.690**

August 28, 2012

Selection of fiduciaries, preference to Missouri firms.

105.690. When selection is made of a venture capital firm, a consultant or a fiduciary, preference must be given to a Missouri based company.

(L. 1987 S.B. 20 § 4)

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[Missouri General Assembly](#)

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT GOVERNING STATUTES



Updated 12/05/2011

Definition.

21.550. The phrase "state and local public employee retirement systems", as used in sections 21.550 to 21.564, unless a different meaning is plainly required by the context, shall mean: any retirement system established by the state of Missouri or any political subdivision or instrumentality of the state for the purpose of providing retirement plan benefits for elected or appointed public officials or employees of the state of Missouri or any political subdivision of the state.

(L. 1983 S.B. 393 § A)

Joint committee on public retirement established--membership-- terms.

- 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)

Meeting of committee--quorum--officers, qualifications, expenses and per diem.

- 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)

Personnel and actuarial assistance authorized--compensation, how paid.

21.557. The committee may employ such personnel and actuarial assistance as it deems necessary to carry out its duties and prepare required reports. The compensation of such personnel and the expenses of the committee shall be paid from the joint contingent fund or jointly from the senate and house contingent funds until an appropriation is made therefore.

(L. 1983 S.B. 393 § 3)



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Powers and duties of joint committee.

21.559. The committee shall:

- (1) Make a continuing study and analysis of all state and local government retirement systems;
- (2) Devise a standard reporting system to obtain data on each public employee retirement system that will provide information on each system's financial and actuarial status at least biennially;
- (3) Determine from its study and analysis the need for changes in statutory law;
- (4) Make any other recommendation to the general assembly necessary to provide adequate retirement benefits to state and local government employees within the ability of taxpayers to support their future costs.

(L. 1983 S.B. 393 § 4, A.L. 1985 H.B. 695)

Retirement systems, state and local to cooperate.

21.561. 1. All state and local public employee retirement systems shall cooperate with and assist the committee in the performance of its duties and shall make available all books, records and information requested.

2. The committee may subpoena witnesses, take testimony under oath, and compel the production of records.

(L. 1983 S.B. 393 § 5)

Cost-of-living increases in pension benefits, notice of to committee, when--evidence of actuarial soundness, when.

21.562. 1. All state and local public employee retirement systems providing periodic cost-of-living increases in pension and retirement benefits paid to its retired officers and employees and spouses of deceased officers and employees prior to September 28, 1985, shall notify the joint committee on public employee retirement of such periodic cost-of-living increases within seven days after September 28, 1985.

2. All state or local public employee retirement systems shall notify the committee within seven calendar days when the governing body thereof which determines the amount and type of plan benefits to be paid takes final action providing any new or additional payments of periodic cost-of-living increases in pension and retirement benefits for its retired officers and employees and spouses of deceased officers and employees.

3. If so requested at any time by the committee, any state or local public employee retirement system providing such periodic cost-of-living increases shall provide satisfactory evidence of its actuarial soundness.

(L. 1985 H.B. 695)

Report, contents--submitted when.

21.563. The committee shall compile a full report of its activities for submission to the general assembly. The report shall be submitted not later than the fifteenth of January of each year in which the general assembly convenes in regular session and shall include any recommendations which the committee may have for legislative action, as well as any recommendations to retirement system boards of management. The report



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shall also include an analysis and statement of the manner in which statutory provisions relating to public employee retirement programs are being executed.

(L. 1983 S.B. 393 § 6)

Study by joint committee on public pensions, retirement and benefits--report to general assembly, when.

21.564. The joint committee on public employee retirement shall conduct a study of pension, retirement and other benefits and the taxation thereof by the state of Missouri in relation to recent federal court decisions and shall report its findings and recommendations to the general assembly no later than the beginning of the second regular session of the eighty-fifth general assembly.

(L. 1989 H.B. 674 § 3)

Definitions, retirement benefit changes.

105.660. The following words and phrases as used in sections 105.660 to 105.685, unless a different meaning is plainly required by the context, shall mean:

- (1) "Actuarial valuation", a mathematical process which determines plan financial condition and plan benefit cost;
- (2) "Actuary", an actuary (i) who is a member of the American Academy of Actuaries or who is an enrolled actuary under the Employee Retirement Income Security Act of 1974 and (ii) who is experienced in retirement plan financing;
- (3) "Board", the governing board or decision-making body of a plan that is authorized by law to administer the plan;
- (4) "Defined benefit plan", a plan providing a definite benefit formula for calculating retirement benefit amounts;
- (5) "Defined contribution plan", a plan in which the contributions are made to an individual retirement account for each employee;
- (6) "Funded ratio", the ratio of the actuarial value of assets over its actuarial accrued liability;
- (7) "Lump sum benefit plan", payment within one taxable year of the entire balance to the participant from a plan;
- (8) "Plan", any retirement system established by the state of Missouri or any political subdivision or instrumentality of the state for the purpose of providing plan benefits for elected or appointed public officials or employees of the state of Missouri or any political subdivision or instrumentality of the state;
- (9) "Plan benefit", the benefit amount payable from a plan together with any supplemental payments from public funds;
- (10) "Substantial proposed change", a proposed change in future plan benefits which would increase or decrease the total contribution percent by at least one-quarter of one percent of active employee payroll, or would increase or decrease a plan benefit by five percent or more, or would materially affect the



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actuarial soundness of the plan. In testing for such one-quarter of one percent of payroll contribution increase, the proposed change in plan benefits shall be added to all actual changes in plan benefits since the last date that an actuarial valuation was prepared.

(L. 1979 H.B. 1301, 2007 S.B. 406 § 8)

Effective 8-28-07

All retirement plans to prepare financial report, content audit by state auditor and joint committee on public employee retirement.

- 105.661.** 1. Each plan shall annually prepare and have available as public information a comprehensive annual financial report showing the financial condition of the plan as of the end of the plan's fiscal year. The report shall contain, but not be limited to, detailed financial statements prepared in accordance with generally accepted accounting principles for public employee retirement systems including an independent auditors report thereon, prepared by a certified public accountant or a firm of certified public accountants, a detailed summary of the plan's most recent actuarial valuation including a certification letter from the actuary and a summary of actuarial assumptions and methods used in such valuation, a detailed listing of the investments, showing both cost and market value, held by the plan as of the date of the report together with a detailed statement of the annual rates of investment return from all assets and from each type of investment, a detailed list of investments acquired and disposed of during the fiscal year, a listing of the plan's board of trustees or responsible administrative body and administrative staff, a detailed list of administrative expenses of the plan including all fees paid for professional services, a detailed list of brokerage commissions paid, a summary plan description, and such other data as the plan shall deem necessary or desirable for a proper understanding of the condition of the plan. In the event a plan is unable to comply with any of the disclosure requirements outlined above, a detailed statement must be included in the report as to the reason for such noncompliance.
2. Any rule or portion of rule promulgated by any plan pursuant to the authority of chapter 536, RSMo, or of any other provision of law, shall be submitted to the joint committee on public employee retirement prior to or concurrent with the filing of a notice of proposed rulemaking with the secretary of state's office pursuant to section 536.021, RSMo. The requirement of this subsection is intended solely for the purpose of notifying the joint committee on public employee retirement with respect to a plan's proposed rulemaking so that the joint committee on public employee retirement has ample opportunity to submit comments with respect to such proposed rulemaking in accordance with the normal process. Any plan not required to file a notice of proposed rulemaking with the secretary of state's office shall submit any proposed rule or portion of a rule to the joint committee on public employee retirement within ten days of its promulgation.
3. A copy of the comprehensive annual financial report as outlined in subsection 1 of this section shall be forwarded within six months of the end of the plan's fiscal year to the state auditor and the joint committee on public employee retirement.
4. Each defined benefit plan shall submit a quarterly report regarding the plan's investment performance to the joint committee on public employee retirement in the form and manner requested by the committee. If the plan fails to submit this report, the committee may subpoena witnesses, take testimony under oath, and compel the production of records regarding this information, pursuant to its authority under section



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21.561.

(L. 1987 H.B. 713, A.L. 2002 H.B. 1674, A.L. 2011 H.B. 282)

Public pension funds not to be commingled--trusteeship.

105.662. The assets of public pension funds represent the deferred wages and future economic security of plan participants and shall not be commingled with any other funds of the political jurisdiction. All funds of the plan shall be placed in a trusteeship, and adequate reporting and disclosure requirements shall be established.

(L. 1992 S.B. 499, et al. § 4)

Retirement plan may appoint attorney as legal advisor.

105.663. Notwithstanding any other provision of law to the contrary, each public retirement plan as defined in section 105.660, through its board of trustees or other responsible administrative body, is authorized to appoint an attorney at law or firm of attorneys at law to be the legal advisor and to represent the plan and the board of trustees or other responsible administrative body in all legal proceedings.

(L. 1995 H.B. 416, et al.)

Actuarial valuation performed at least biennially.

105.664. Each plan shall at least biennially prepare and have available as public information an actuarial valuation performed in compliance with the recommended standards and guidelines as set forth by the governmental accounting standards board. Any plan currently performing valuations on a biennial basis making a substantial proposed change in benefits as defined in section 105.660 shall have a new actuarial valuation performed using the same methods and assumptions for the most recent periodic actuarial valuation.

(L. 2002 H.B. 1455)

Cost statement of proposed changes prepared by actuary--contents.

105.665. 1. The legislative body or committee thereof which determines the amount and type of plan benefits to be paid shall, before taking final action on any substantial proposed change in plan benefits, cause to be prepared a statement regarding the cost of such change.

2. The cost statement shall be prepared by an actuary using the methods used in preparing the most recent periodic actuarial valuation for the plan and shall, without limitation by enumeration, include the following:

- (1) The level normal cost of plan benefits currently in effect, which cost is expressed as a percent of active employee payroll;
- (2) The contribution for unfunded accrued liabilities currently payable by the plan, which cost is expressed as a percent of active employee payroll and shall be over a period not to exceed thirty years;
- (3) The total contribution rate expressed as a percent of active employees payroll, which contribution rate shall be the total of the normal cost percent plus the contribution percent for unfunded accrued liabilities;
- (4) A statement as to whether the legislative body is currently paying the total contribution rate as defined in subdivision (3) of this subsection;



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- (5) The total contribution rate expressed as a percent of active employee payroll which would be sufficient to adequately fund the proposed change in benefits;
- (6) A statement as to whether such additional contributions are mandated by the proposed change;
- (7) A statement as to whether or not the proposed change would in any way impair the ability of the plan to meet the obligations thereof in effect at the time the proposal is made;
- (8) All assumptions relied upon to evaluate the present financial condition of the plan and all assumptions relied upon to evaluate the impact of the proposed change upon the financial condition of the plan, which shall be those assumptions used in preparing the most recent periodic actuarial valuation for the plan, unless the nature of the proposed change is such that alternative assumptions are clearly warranted, and shall be made and stated with respect to at least the following:
 - (a) Investment return;
 - (b) Pay increase;
 - (c) Mortality of employees and officials, and other persons who may receive benefits under the plan;
 - (d) Withdrawal (turnover);
 - (e) Disability;
 - (f) Retirement ages;
 - (g) Change in active employee group size;
- (9) The actuary shall certify that in the actuary's opinion the assumptions used for the valuation produce results which, in the aggregate, are reasonable;
- (10) A description of the actuarial funding method used in preparing the valuation including a description of the method used and period applied in amortizing unfunded actuarial accrued liabilities;
- (11) The increase in the total contribution amount required to adequately fund the proposed change in benefits, expressed in annual dollars as determined by multiplying the increase in total contribution rate by the active employee annual payroll used for this valuation.

(L. 1979 H.B. 130 § 2, A.L. 1996 H.B. 1355, 2007 S.B. 406 § 8)

Board member education program required, curriculum - annual pension benefit statement required.

- 105.666.** 1. Each plan shall, in conjunction with its staff and advisors, establish a board member education program, which shall be in effect on or after January 1, 2008. The curriculum shall include, at a minimum, education in the areas of duties and responsibilities of board members as trustees, ethics, governance process and procedures, pension plan design and administration of benefits, investments including but not limited to the fiduciary duties as defined under section 105.688, legal liability and risks associated with the administration of a plan, sunshine law requirements under chapter 610, RSMo, actuarial principles and methods related to plan administration, and the role of staff and consultants in plan administration. Board members appointed or elected on a board on or after January 1, 2008, shall complete a board member education program designated to orient new board members in the areas described in this section within ninety days of becoming a new board member. Board members who have served one or more years shall attend at least two continuing education programs each year in the areas described in this section.
2. Each plan shall, upon the request of any individual participant, provide an annual pension benefit statement



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which shall be written in a manner calculated to be understood by the average plan participant and may be delivered in written, electronic, or other appropriate form to the extent such form is reasonably accessible to each participant or beneficiary. Such pension benefit statement shall include, but not be limited to, accrued participant contributions to the plan, total benefits accrued, date first eligible for a normal retirement benefit, and projected benefit at normal retirement. Any plan failing to do so shall submit in writing to the joint committee on public employee retirement as to why the information may not be provided as requested.

(L. 2007 S.B. 406 § 8)

Effective 8-28-07

Gain or profit from funds or transactions of plan, prohibited when.

- 105.667.** 1. Any appointing authority, board member, or employee shall be prohibited from receiving any gain or profit from any funds or transaction of the plan, except benefits from interest in investments common to all members of the plan, if entitled thereto.
2. Any appointing authority, board member, or employee accepting any political contribution, gratuity, or compensation for the purpose of influencing his or her action with respect to the investment of the funds of the system shall thereby forfeit his or her office and in addition thereto be subject to the penalties prescribed for bribery.
3. Any trustee, employee, or participant of a plan who pleads guilty to or is found guilty of a plan-related felony after August 28, 2007, that is determined by a court of law to have been directly committed in connection with the member's duties as either a trustee, employee, or participant of a plan shall not be eligible to receive any retirement benefits from the respective plan.

(L. 2007 S.B. 406 § 8)

Effective 8-28-07

Cost statement available for inspection--effect of changes (general assembly).

105.670. When the general assembly is the legislative body responsible for authorizing a substantial proposed change in plan benefits, a prepared statement regarding the cost of such change shall be made available for its consideration prior to taking final action. Such statement of cost shall be prepared in accordance with section 105.665 and shall be available as public information for at least five legislative days before final passage by either house. The speaker or president pro tem may refer such bill for reconsideration upon receipt of the actuary statement to the committee to which the bill was originally referred. The bill shall retain its place on the calendar as though it had not been recalled. The committee shall report the bill to the house or senate, respectively, within seven calendar days with its recommendations. If any additional substantial proposed change as defined in subdivision (5) of section 105.660, in cost or benefits is made by either house or committee thereof, the actuary making the original cost statement shall amend the statement to reflect the additional features. The plan shall make available to the actuary such information as is necessary to prepare such actuarial statement. The statement of cost shall be filed with the chief clerk of the Missouri house of representatives, the secretary of the senate, and with the joint committee on public employee retirement.

(L. 1979 H.B. 130 § 3, A.L. 1985 H.B. 695, A.L. 1987 H.B. 713, A.L. 1989 H.B. 674, A.L. 1996 H.B. 1355)



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Cost statement available for inspection (political subdivisions).

105.675. When a political subdivision or instrumentality of the state is the legislative body responsible for making a substantial proposed change in benefits, a prepared statement regarding the cost of such change shall be prepared in accordance with section 105.665 and shall be made available for its consideration. Such statement of cost shall be available as public information for at least forty-five calendar days before the legislative body can take final action to adopt the substantial proposed change in benefits. The statement of cost required by this section shall be filed in the office of the clerk, secretary or other individual responsible for keeping the official records of the legislative body, and with the joint committee on public employee retirement.

(L. 1979 H.B. 130 § 4, A.L. 1985 H.B. 695, A.L. 1996 H.B. 1355)

Expenses for cost statements, how paid.

- 105.680.** 1. For any proposed change in plan benefits, the expense of having the cost statement prepared shall be assured before the legislative body may take final action to approve a proposed substantial change in plan benefits.
2. The expense of having the cost statement prepared shall be paid by the plan if the substantial proposed change is initiated or approved by the plan's governing board.
3. When the general assembly is the legislative body considering a proposed change in plan benefits, the joint committee on public employee retirement, upon approval by a majority of the statutory number of senators serving on the committee and approval of a majority of the statutory number of representatives serving on the committee, may assume the expense of preparing a cost statement required by sections 105.660 to 105.685 by employing or contracting with an actuary or actuaries who possess the qualifications required by the provisions of sections 105.660 to 105.685 upon such terms as may be agreed upon and within the limits of appropriations made therefor, or may order the plan to provide such statement.
4. If the expense of preparing the cost statement is not assured by reason of subsection 2 or 3 above, the expense shall be paid by the individual, group of individuals, department or agency seeking such proposed change.

(L. 1979 H.B. 130 § 5, A.L. 1985 H.B. 695)

Plan deemed delinquent, when, effect of.

105.683. Any plan, other than a plan created under sections 169.010 to 169.141, RSMo, or sections 169.600 to 169.715, RSMo, whose actuary determines that the plan has a funded ratio below sixty percent and the political subdivision has failed to make one hundred percent of the actuarially required contribution payment for five successive plan years with a descending funded ratio for five successive plan years after August 28, 2007, shall be deemed delinquent in the contribution payment and such delinquency in the contribution payment shall constitute a first lien on the funds of the political subdivision, and the board as defined under section 105.660 is authorized to compel payment by application for a writ of mandamus; and in addition, such delinquency in the contribution payment shall be certified by the board to the state treasurer and director of the department of revenue. Until such delinquency in the contribution payment, together with regular interest, is satisfied, the state treasurer and director of the department of revenue shall with-



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hold twenty-five percent of the certified contribution deficiency from the total moneys due the political subdivision from the state.

(L. 2007 S.B. 406 § 8)

Effective 8-28-07

Benefit increases prohibited, when -- amortization of unfunded actuarial accrued liabilities -- accelerated contribution schedule required, when.

- 105.684.** 1. Notwithstanding any law to the contrary, no plan shall adopt or implement any additional benefit increase, supplement, enhancement, lump sum benefit payments to participants, or cost-of-living adjustment beyond current plan provisions in effect prior to August 28, 2007, unless the plan's actuary determines that the **funded ratio prior to such adoption or implementation** is at least eighty percent and will not be less than seventy-five percent after such adoption or implementation.
2. The unfunded actuarial accrued liabilities associated with benefit changes described in this section shall be amortized over a period not to exceed twenty years for purposes of determining the contributions associated with the adoption or implementation of any such benefit increase, supplement, or enhancement.
3. Any plan with a funded ratio below sixty percent shall have the actuary prepare an accelerated contribution schedule based on a descending amortization period for inclusion in the actuarial valuation.
4. Nothing in this section shall apply to any plan established under chapter 70, RSMo, or chapter 476, RSMo.

(L. 2007 S.B. 406 § 8)

Effective 8-28-07

Effective date of changes.

105.685. A substantial proposed change in plan benefits shall not become effective until such time as the provisions of sections 105.660 to 105.685 are complied with.

(L. 1979 H.B. 130 § 6)

Effective 8-6-79

Definitions.

105.687. As used in sections 105.687 to 105.689, the following terms mean:

- (1) "Equity interests", limited partnership interests and other interests in which the liability of the investor is limited to the amount of the investment, but does not include general partnership interests or other interests involving general liability of the investor;
- (2) "Invest" or "investment", utilization of money in the expectation of future returns in the form of income or capital gain;
- (3) "Investment fiduciary", a person who either exercises any discretionary authority or control in the investment of a public employee retirement system's assets or who renders for a fee advice for a public employment retirement system;
- (4) "Small business", an independently owned and operated business as defined in Title 15 U.S.C. Section 632A and as described by Title 13 CFR Part 121*;



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- (5) "Small business investment company", an incorporated body or a limited partnership under Section 301 of Title III of the Small Business Investment Act of 1958, 15 U.S.C. 681;
- (6) "System", a public employee retirement system established by the state or any political subdivision of the state;
- (7) "Venture capital firm", a corporation, partnership, proprietorship, or other entity, the principal businesses of which is the making of investments in small businesses, either directly or indirectly by investing in entities the principal business of which is the making of investments in small businesses.

(L. 1987 S.B. 20 § 1)

*Original rolls contain "21", an apparent typographical error.

Investment fiduciaries, duties.

105.688. The assets of a system may be invested, reinvested and managed by an investment fiduciary subject to the terms, conditions and limitations provided in sections 105.687 to 105.689. An investment fiduciary shall discharge his or her duties in the interest of the participants in the system and their beneficiaries and shall:

- (1) Act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims;
- (2) Act with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered;
- (3) Make investments for the purposes of providing benefits to participants and participants' beneficiaries, and of defraying reasonable expenses of investing the assets of the system;
- (4) Give appropriate consideration to those facts and circumstances that the investment fiduciary knows or should know are relevant to the particular investment or investment course of action involved, including the role of the investment or investment course of action plays in that portion of the system's investments for which the investment fiduciary has responsibility. For purposes of this subdivision, "appropriate consideration" shall include, but is not necessarily limited to a determination by the investment fiduciary that a particular investment or investment course of action is reasonably designed, as part of the investments of the system, to further the purposes of the system, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment course of action; and consideration of the following factors as they relate to the investment or investment course of action:
 - (a) The diversification of the investments of the system;
 - (b) The liquidity and current return of the investments of the system relative to the anticipated cash flow requirements of the system; and
 - (c) The projected return of the investments of the system relative to the funding objectives of the system;
- (5) Give appropriate consideration to investments which would enhance the general welfare of this state and its citizens if those investments offer the safety and rate of return comparable to other invest-



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ments available to the investment fiduciary at the time the investment decision is made.

(L. 1987 S.B. 20 § 2)

Investment fiduciary may make investments in certain countries.

105.689. Nothing in sections 105.687 to 105.689 shall prevent any investment fiduciary from making investments in any company which does business in any country with which the United States maintains diplomatic relations.

(L. 1987 S.B. 20 § 3, A.L. 1992 S.B. 499, et al.)

Selection of fiduciaries, preference to Missouri firms.

105.690. When selection is made of a venture capital firm, a consultant or a fiduciary, preference must be given to a Missouri based company.

(L. 1987 S.B. 20 § 4)

Definitions--agreements to transfer service between plans--election to transfer--transfer of service, determination of value--amount due, payment period--effect of transfer--transfer not to result in receipt of benefits under more than one plan.

105.691. 1. As used in this section, unless a different meaning is plainly required by the context, the following terms mean:

- (1) "Accumulated contributions", the sum of all amounts deducted from the compensation of an individual and credited to the person's individual account in the applicable plan, together with interest allowed thereon by the plan;
- (2) "Creditable service", the service of an individual, whether rendered while a member of a plan or not, which is recognized by a plan in determining the individual's eligibility for and the amount of the individual's benefits under the plan;
- (3) "Plan" or "retirement plan", any retirement system established by the state of Missouri or any political subdivision or instrumentality of the state for the purpose of providing plan benefits for elected or appointed public officials or employees of the state of Missouri or any political subdivision or instrumentality of the state;
- (4) "Receiving plan", a plan which pursuant to this section is receiving funds from another plan or an individual to provide creditable service for that individual;
- (5) "Transferring plan", a plan which pursuant to this section is transferring funds to another plan for the purpose of providing creditable service for an individual;
- (6) "Vested", having the right to receive the payment of a benefit from the plan, whether at present or at a future time. For the purpose of determining eligibility for transferring service credit, all plans shall be deemed to have five-year vesting.

2. Any retirement plan as defined in this section may enter into cooperative agreements to transfer creditable service from one retirement plan to another when a member who has been employed in a position covered by one plan is employed in a position covered by another plan. If any two plans already have in place on



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August 28, 1992, a cooperative agreement for transferring service between those plans, the existing agreement may remain in force upon agreement of both plans.

3. Any individual who has not yet retired and has earned creditable service under the provisions of a retirement plan which has entered into a cooperative agreement as specified in subsection 2 of this section, and who is vested in any plan may elect in writing to transfer the individual's creditable service from one plan to another plan upon employment and vesting in a position covered by the receiving plan. Within sixty days of such election the plan from which the individual is transferring shall transfer on the individual's behalf to the receiving plan an amount equal to the employee's pension benefit obligation at the time of transfer using the same assumption used in performing the last regular actuarial valuation of the transferring plan; except that in no event shall the transferred amount be less than the employee's accumulated contributions on deposit with the transferring plan.
4. The receiving plan shall determine, using accepted actuarial methods, the value of transferred service in the receiving plan. The amount of creditable service which shall be recognized in the receiving plan shall be determined by the actuarial value of the funds transferred, but in no event shall such creditable service exceed the actual number of years of creditable service from the transferring plan. If the actuarial value of the funds transferred to the receiving plan is less than that required to fund the liability created by the actual number of years of creditable service in the transferring plan, the employee may purchase additional creditable service in the receiving plan up to the actual number of years of creditable service in the transferring plan by paying the amount required by the receiving plan.
5. Any individual having earned creditable service under the provisions of any of the retirement plans identified in this section who is not vested in such plans and who becomes employed and vested in a position covered by another retirement plan identified in this section shall be permitted to purchase creditable service in the plan in which the individual is vested up to the actual number of years of creditable service the individual has in the other plans. The cost shall be determined using accepted actuarial methods by the receiving plan.
6. Payment in full of an amount due by an individual electing to transfer or purchase creditable service pursuant to this section shall be made over a period not to exceed two years, measured from the date of election, or prior to the effective date of retirement benefit payments to that individual by the receiving plan, whichever is earlier, and with interest compounded annually at the actuarially assumed interest rate of the plan receiving the payments. If payment in full is not made within this prescribed time period, any partial payments made by the individual because of the election shall be refunded, and no creditable service shall be allowable in the receiving plan as a result of the partial payments.
7. Any individual employed in nonfederal public employment in Missouri but not covered by a retirement plan who becomes employed and vested in a position covered by a retirement plan identified in this section shall be permitted to purchase creditable service in the plan up to the actual number of years of public service in an uncovered position. The cost and creditable service allowed shall be determined using accepted actuarial methods by the receiving plan.
8. When an individual elects to transfer creditable service from one plan to another plan, the individual thereby forfeits any claim to any benefit based on such service under the provisions of the retirement plan from which the creditable service is transferred.



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9. In no event shall any individual receive credit or benefits for the same period of service or employment under more than one retirement plan as a consequence of transfer or purchase pursuant to the provisions of this section. Benefits paid on the basis of creditable service transferred or purchased pursuant to the provisions of this section shall be calculated using the formula applicable to the receiving plan.

(L. 1992 S.B. 499, et al., A.L. 1993 H.B. 733 and S.B. 363, A.L. 1997 H.B. 356, A.L. 1999 S.B. 196)

*Transferred 1994; formerly 105.985.

CROSS REFERENCE: Purchase or transfer of prior creditable service authorized for certain persons covered by retirement plans identified in chapter 104, 287 or 476, RSMo, RSMo 104.335

Procurement Action Plan

104.342. 13. (6) All retirement plans defined under section 105.660, RSMo, shall develop a procurement action plan for utilization of minority and women money managers, brokers and investment counselors. Such retirement systems shall report their progress annually to the joint committee on public employee retirement and the governor's minority advocacy commission.

(L. 1995 H.B. 416)

2013 RETIREMENT LEGISLATION

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
SB 12	PACARS	Immunity from civil liability for court appointed attorneys & allows a \$4 surcharge to be assessed & collected against persons who pled guilty & paid a fine through a fine collection center & adjust county contributions. >>Fiscal Note HCS Includes additional provisions-see notes section	Schaefer						H Judiciary Committee	Hearing held 4/24/13	DP w/ HCS 4/24/13 Ref to H Rules 4/25/13		Includes provisions from HCS HB 169	
SB 23	KCPERS	Political subdivisions; creates a new benefit tier for members hired on or after 01/01/14. Modifies employer/employee contribution rates. >>Fiscal Note HCS HA #14 Includes additional provisions-see notes section	Parson						General Laws	Hearing held 4/18/13	H Rules DP w/HCS 4/25/13 H Fiscal Review DP 4/30/13		HA #14 includes provisions from HB 861	
SB 45	MOSERS	Creates an exception for the 31st judicial circuit from reimbursing the state for salaries of family court commissioners. >> Fiscal Note HCS Includes additional provisions-see notes section	Dixon	Judiciary & Civil & Criminal Jurisprudence	Hearing 1/30/13 4 pm Senate Lounge	DP w/ SCS 2/11/13	02/20/13	2/25/13	Judiciary Committee	Hearing conducted 4/17/13	DP w/HCS 4/24/13 H Rules DP 4/30/13 H Fiscal Review DP 5/1/13	On H Calendar 5 Bills for Third read w/HCS 5/1/13	Includes provisions from HCS HB 169	
SB 65 (HB 543)	All Public Plans	Allows the State Auditor to audit all public employee retirement systems. >> Fiscal Note	Dixon	Financial & Governmental Organizations and Elections	Hearing 2/11/13 2 pm Senate Lounge	DP w/SCS 2/25/13	S Informal calendar Bills for Perfection							
SB 86	All Public Plans	Clarifies funded ratio requirement for plan benefit increases and exempts Federal conformance modifications. >> Fiscal Note - Provisions included on SCS HCS HB 233 HCS Includes additional provisions-see notes section	Keaveny	Seniors, Families & Pensions	Hearing 1/29/13 8:15 am SCR 1	DP w/SCS 2/5/13	02/12/13	2/14/13	Retirement	Hearing 4/4/13 9 am HHR 1	DP w/HCS 4/4/13 Referred to H Rules 4/8/13		Includes provisions from HCS HB 169, HB 313, HB 353 & HCS HB 722	
SB 100 (HB 447)	Bankruptcy Exemption	Adds interest in health savings plan and inherited accounts to exemption list. >> Fiscal Note - Provisions included on SCS HB 329 SA #1 HCS Includes additional provisions-see notes section	Keaveny	Seniors, Families & Pensions	Hearing 2/5/13 8:15 am SCR 1	DP 2/12/13	02/20/13	2/26/13	Judiciary	Hearing conducted 4/18/13	DP w/HCS 4/24/13 Ref H Rules 4/25/13		Provisions included in HCS HB 371 Includes provisions from HCS HB 169	

2013 RETIREMENT LEGISLATION

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
SB 107	St. Louis Firemen's	Creates a new benefit tier for members hired on or after 8/29/13.	Lamping	Seniors, Families & Pensions										
SB 215 (HB 418)	KC Police & Civilian Employees	Creates a new benefit tier for members hired on or after 8/28/13. >>Fiscal Note	Silvey	Seniors, Families & Pensions	Hearing 3/5/13 8:15 am SCR 1									
SB 221	PSRS/ PEERS	Requires matching contribution rates to be fixed at 2011/2012 school year levels, COLA to be set at 2% with exceptions and a closed 30 year amortization period used until plans are 100% funded.	Lamping	Seniors, Families & Pensions										
SB 223 (HB 861)	KCPERS	Creates a new benefit tier for members hired on or after 01/01/14. Modifies employer/employee contribution rates. >>Fiscal Note	Curls	Seniors, Families & Pensions	Hearing 3/13/13 9 am SCR 1	DP 4/16/13								
SB 232 (HB 313)	PSRS/ PEERS	Permanently extends "25 & out" (PSRS/PEERS) and "2.55% multiplier with 31+ YOS" (PSRS). >>Fiscal Note	Wallingford	Seniors, Families & Pensions	Hearing 4/16/13 8:15 am SCR 1								Provisions Included in HCS 6CS SB 86 & HB 808	

2013 RETIREMENT LEGISLATION

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
SB 279 (HB 233)	MOSERS/ MPERS/ Judges	Provisions and clarification relative to MOSERS/MPERS statutory provisions. >>Fiscal Note	Kehoe	Seniors, Families & Pensions										
SB 288 (HB 353)	MOSERS	Effective 7/1/14, modifies provisions relating to the defined contribution plan for employees of certain higher education institutions. >>Fiscal Note	Lamping	Seniors, Families & Pensions	Hearing 4/23/13 12:00 pm Senate Lounge								Provisions included in HCS SCS SB 86	
SB 312	MOSERS/ MPERS/ Judges	Suspends retired state employees and retired judges benefit payments when employed full-time with a certain political subdivision in Missouri. >>Fiscal Note	LeVota	Seniors, Families & Pensions	Hearing 4/16/13 8:15 am SCR 1									
SB 355 (HB 424)	Sheriffs' Retirement System	Modifies the system's funding mechanism. >>Fiscal Note	Munzlinger	Seniors, Families & Pensions	Hearing 4/16/13 8:15 am SCR 1									
SB 475	All Statutory Plans	Requires plans to be 100% funded in 5 years. >>Fiscal Note	Lamping	Seniors, Families & Pensions	Hearing 4/9/13 8 am SCR 1									
SB 476	PSRS	Requires new employees hired on or after 7/1/14 to participate in a defined contribution plan.	Lamping	Seniors, Families & Pensions										

2013 RETIREMENT LEGISLATION

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
SB 477	MOSERS/ MPERS/ Judges	Requires new employees hired on or after 1/1/14 to participate in a defined contribution plan.	Lamping	Seniors, Families & Pensions										

2013 RETIREMENT LEGISLATION

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
HB 93	MOSERS	Beginning 1/1/14, General Assembly members will not accrue credited service under the MSEP 2000 plan.	Lichtenegger										Includes provisions from HCS HB 169	
HB 129	MOSERS	Establishes a State Employee Retirement Incentive & modifies state holidays. >> Fiscal Note HCS includes additional provisions-see notes section	Gatschenberger	Retirement	Hearing 3/14/13 9 am HHR 1	DP 3/14/13 Ref to Rules 4/23/13							Includes provisions from HCS HB 169	
HB 169	PACARS	Allows a \$4 surcharge to be assessed & collected against persons who pled guilty & paid a fine through a fine collection center & adjust county contributions. >> Fiscal Note	Diehl	Retirement	Hearing 1/29/13 5 pm HHR 1	DP w/HCS 1/29/13 Rules DP 2/7/13	04/02/13 Perfected w/ HA 1	4/3/13	Seniors, Families & Pensions	Hearing 4/23/13 12:00 pm Senate Lounge			Provisions included in HCS SCS SB 86, HCS HB 215, HCS HB 371	
HB 215	PACARS	Allows a \$4 surcharge to be assessed & collected against persons who pled guilty & paid a fine through a fine collection center & adjust county contributions. >> Fiscal Note HCS includes additional provisions - see notes section *PACARS PROVISIONS REMOVED IN SCS*	Cox				4/9/13 Perfected w/HA's DP Fiscal Review 4/15/13	4/15/13 - Emergency Clause Defeated	5 Judiciary	Hearing 4/24/13 upon adjournment Senate Lounge	DP w/SCS 4/24/13 Referred to GAFO 4/30/13	H Bills on Third Read Calendar 5/1/13	Includes provisions from HCS HB 169	
HB 233 (SB 279)	MOSERS/ MPERS/ Judges	Provisions and clarification relative to MOSERS/MPERS statutory provisions. >> Fiscal Note SCS includes additional provisions-see notes	Leara	Retirement	Hearing 1/29/13 5 pm HHR 1	DP w/HCS consent 1/29/13 Rules DP Consent 2/7/13	3/6/13	3/14/13	Seniors, Families & Pensions	Executive Session 4/11/13 9:45 am Bingham Gallery	DP w/SCS consent 4/11/13	Third Read & Passed 4/30/13 H Calendar H Bills w/SA's 5/1/13	Includes provisions from SCS SB 86	
HB 254	City of North Kansas City	Allows the City of North Kansas City to submit to voters a retail sales tax of up to .5% for Public Safety use. >> Fiscal Note	Swearingen	Local Government	Hearing 3/28/13 8 am HHR 5	DP 3/28/13								

2013 RETIREMENT LEGISLATION

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
HB 313 (SB 232)	PSRS/ PEERS	Permanently extends "25 & out" (PSRS/PEERS) and "2.55% multiplier with 31+ YOS" (PSRS). >>Fiscal Note Provisions included on HB 808	Thomson	Retirement	Hearing 3/14/13 9 am HHR 1	DP 3/14/13							Provisions included in HCS SCS SB 86	
HB 325	MOSERS/ CERF	Modifies composition of judicial circuits.	Elmer	Judiciary										
HB 329	Bankruptcy Exemption	Financial Institution Bill; adds interest in health savings plan and inherited accounts to exemption list. >>Fiscal Note SCS SA #1 includes additional provisions - see notes section	Dugger						S Financial & Governmental Organizations & Elections	Hearing held 4/8/13	DP w/SCS 4/15/13	Passed 5/1/13 w/SA's & Reported to House w/SCS as amended	SA #1 includes provisions from SB 100	
HB 335	City of North Kansas City	Public Safety proposal includes: Allowing the City of North Kansas City to submit to voters a retail sales tax of up to .5% for Public Safety use. >> Fiscal Note	Hinson	Crime Prevention & Public Safety	Hearing 2/18/13 1 pm HHR 6	DP w/HCS 2/18/13 Rules DP 2/28/13	Perfected w/HA's 4/17/13	4/24/13 with emergency clause	S Jobs, Economic Development & Local Government					
HB 353 (SB 288)	MOSERS	Effective 7/1/14, modifies provisions relating to the defined contribution plan for employees of certain higher education institutions. >>Fiscal Note	Leara	Retirement	Hearing 3/14/13 9 am HHR 1	DP 3/14/13							Provisions included in HCS SCS SB 86	
HB 371	PACARS & Bankruptcy Exemption	Allows a \$4 surcharge to be assessed & collected against persons who pled guilty & paid a fine through a fine collection center & adjust county contributions; Adds interest in health savings plan and inherited accounts to exemption list. >>Fiscal Note HCS includes additional provision - see notes section	Cox			DP w/HCS 4/3/13 H Rules DP 4/24/13	HCS adopted & Perfected w/HA's 4/30/13						Includes provisions from HCS HB 169, HB 447, SB 100	

2013 RETIREMENT LEGISLATION

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
HB 418 (SB 215)	KC Police & Civilian Employees	Creates a new benefit tier for members hired on or after 8/28/13. >>Fiscal Note	Neth	Retirement	Hearing 3/14/13 9 am HHR 1	DP w/HCS 3/14/13 Rules DP 3/28/13	4/9/13	4/15/13	Seniors, Families & Pensions	Hearing 4/23/13 12:00 pm Senate Lounge	DP 4/30/13			
HB 424 (SB 355)	Sheriffs' Retirement System	Modifies the system's funding mechanism. >>Fiscal Note	C. Jones	General Laws	Hearing 3/28/13 8:15 am HHR 1	DP w/HCS 3/28/13								
HB 447 (SB 100)	Bankruptcy Exemption	Exemption from attachment and execution of a person's interest in inherited retirement accounts and health savings plans. >>Fiscal Note	Diehl	Judiciary	Executive Session 4/10/13 12 pm or upon morning adjournment HHR 1	DP 4/10/13 Referred to Rules 4/11/13							Provisions included in HCS HB 371	
HB 464	Sheriffs' Retirement System	Establishes the "Sheriff Salary Supplementation Fund". >>Fiscal Note	Higdon	General Laws	Hearing 3/26/13 12 pm noon HHR 4	DP w/HCS 4/16/13 H Rules DP 4/24/13								
HB 475	MOSERS	Requires any General Assembly serving for the first time on or after 1/1/14 to participate in a defined contribution retirement plan.	Brattin											
HB 543 (SB 65)	All Public Plans	Allows the State Auditor to audit all public employee retirement systems. >>Fiscal Note	Hoskins	General Laws	Hearing 4/2/13 1:00 pm HHR 4	DP w/HCS 4/2/13 Rules DP 4/15/13	4/24/13 w/HA's	4/25/13 Emergency Clause defeated	⁵ Governmental Accountability & Fiscal Oversight					
HB 636	MOSERS/MPERS	State employees salary increases equal to increase in health insurance premiums.	Fitzwater											

2013 RETIREMENT LEGISLATION

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
HB 637	MOSERS	Minimum salary requirements for corrections officers and supervisors.	Fitzwater	Special Standing Committee on Corrections										
HB 722	St. Louis Police	Reduces service requirement associated with disability from 10 to 5 years. >>Fiscal Note	Leara	Retirement	Hearing 3/14/13 9 am HHR 1	DP w/HCS 3/14/13 Rules DP 3/28/13	4/9/13	4/15/13	Seniors, Families & Pensions	Hearing 4/23/13 12:00 pm Senate Lounge	DP w/SCS 4/30/13		Provisions included in HCS SCS SB 86	
HB 737	SLPERS	Incrementally increases employee contributions from 5% of pay to 7.5% by 1/1/18 and modifies Rule of 85 to Rule of 80 for normal retirement eligibility. >>Fiscal Note	Leara	Retirement	Executive Session 4/11/13 8:15 am HHR 1	DP 04/11/13								
HB 772	MOSERS	Beginning 1/1/15, General Assembly members will not accrue credited service under the MSEP 2000 plan.	Haahr											
HB 782	PSRS/ PEERS	Prohibits membership for employees of any nonprofit educational association or organization after 7/1/14. >>Fiscal Note	Spencer	Retirement	Hearing 4/4/13 9 am HHR 1									
HB 808	PSRS/ PEERS	Sunset provisions relating to education. Permanently extends "25 & out" (PSRS/PEERS) and "2.55% multiplier with 31+ YOS" (PSRS). >>Fiscal Note Amendment includes additional provisions- see notes section	Funderburk				4/17/13 w/HA 1	4/24/13	Financial & Governmental Organizations & Elections	Hearing 4/29/13 2:00 pm Senate Lounge			Includes provisions from SB 232 & HB 313	
HB 820	MOSERS	General Assembly members and Statewide Elected officials serving on or after 1/1/14 shall participate in a defined contribution retirement plan.	Koenig	Retirement										

2013 RETIREMENT LEGISLATION

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
HB 861 (SB 223)	KCPERS	Creates a new benefit tier for members hired on or after 01/01/14. Modifies employer/employee contribution rates. >>Fiscal Note Provisions included in SB 23 HA #14	Neth	Retirement	Executive Session 4/11/13 8:15 am HHR 1	DP 4/11/13 Referred to Rules 4/11/13								
HB 878	MOSERS/ MPERS	Establishes a hybrid plan for members hired for the first time on or after 1/1/14.	Koenig	Retirement										
HB 897	St. Louis Police	Creates a new benefit tier for members hired on or after 10/1/13.	Leara	Retirement										

Bills with Pension Provisions

May 1, 2013

System(s) Affected	Pension Provisions	Status
HCS SB 12 (Schaefer)		
Pros Atty & Circuit Atty Retirement System (PACARS)	Judicial Procedure bill HCS added: <u>Sections 56.807, 488.026</u> - PACARS - Includes to existing \$4 surcharge on criminal court cases those paying through the Fine Collection Center (currently excluded from surcharge). Modifies County contributions depending on Plan funded ratio.	H Rules DP w/HCS - 5/1/13
HCS SB 23 (Parson)		
Kansas City Public School Retirement System	Political Subdivision Bill HA #14 (Neth) <u>Sections 169.270, 291, 301, 324, 350</u> - Creates a new benefit tier for members hired on or after 01/01/14 and modifies employer/employee contribution rates.	H Third Read & Passed - 5/1/13
SCS for HCS for SB 45 (Dixon)		
MOSERS Pros Atty & Circuit Atty Retirement System (PACARS)	Judicial Procedure bill HCS added: <u>Sections 56.807, 488.026</u> - PACARS - Includes to existing \$4 surcharge on criminal court cases those paying through the Fine Collection Center (currently excluded from surcharge). Modifies County contributions depending on Plan funded ratio.	H Rules DP - 4/30/13 H Fiscal Review DP & H Calendar S Bills for Third Read w/ HCS - 5/1/13
HCS for SCS for SB 86 (Keaveny)		
All Public Plans Pros Atty & Circuit Atty Retirement System (PACARS) St. Louis Police Retirement System College & University Retirement Plan (CURP) Public School Retirement System of Missouri (PSRS) Public Education Employees' Retirement System (PEERS)	<u>Section 105.684</u> - Original bill provisions - Clarifies most recent completed actuarial valuation will be used to determine a plan's funded ratio relative to determining 80% funded ratio for benefit enhancements and exempts retirement plans from the 80% funded requirement when implementing provisions to conform with Federal law. HCS added: <u>Sections 56.807, 488.026</u> - PACARS - Includes to existing \$4 surcharge on criminal court cases those paying through the Fine Collection Center (currently excluded from surcharge). Modifies County contributions depending on Plan funded ratio. <u>Sections 86.200, 86.257, 86.263</u> - Modifies disability determination procedure and reduces vesting for non-duty disability from 10 to 5 years once plan is 80% funded (currently 78% funded) <u>Sections 104.1205, 104.1215</u> - Fixes CURP employer contribution rate from 1% below MOSERS normal cost to a fixed 7% of payroll and allows each college/university to require employee contributions to up to 4% of pay. Removes election to participate in MOSERS defined benefit plan after 6 years in CURP. <u>Section 169.070, 169.670</u> - Permanently extends 25 & out for PSRS/PEERS and the 2.55% multiplier with 31+ years of service.	Reported DP w/ HCS in H Retirement 4/8/13 and referred to H Rules

Bills with Pension Provisions

May 1, 2013

System(s) Affected	Pension Provisions	Status
HCS SB 100 (Keaveny)		
Bankruptcy Exemption Pros Atty & Circuit Atty Retirement System (PACARS)	<u>Section 513.430</u> - Original bill provisions - Adds interest in health savings plan and inherited accounts to exemption list in bankruptcy proceedings. HCS added: <u>Sections 56.807, 488.026</u> - PACARS - Includes to existing \$4 surcharge on criminal court cases those paying through the Fine Collection Center (currently excluded from surcharge). Modifies County contributions depending on Plan funded ratio.	H Judiciary Reported DP w/HCS - Referred to House Rules - 4/25/13
HCS HB 169 (Diehl)		
Pros Atty & Circuit Atty Retirement System (PACARS)	<u>Sections 56.807, 488.026</u> - PACARS - Includes to existing \$4 surcharge on criminal court cases those paying through the Fine Collection Center (currently excluded from surcharge). Modifies County contributions depending on Plan funded ratio.	Hearing S Seniors, Families & Pensions was held on 4/23/13, 12:00 pm, Senate Lounge
HCS HB 215 (Cox)		
Pros Atty & Circuit Atty Retirement System (PACARS)	Omnibus Judiciary Legislation HA #1 (Austin) <u>Sections 56.807, 488.026</u> - PACARS - Includes to existing \$4 surcharge on criminal court cases those paying through the Fine Collection Center (currently excluded from surcharge). Modifies County contributions depending on Plan funded ratio. *PACARS PROVISIONS REMOVED IN SCS*	S Judiciary reported DP w/SCS 4/29/13 Referred to S GAFO - 4/30/13 H Bills on S Third Read Calendar - 5/1/13
SCS HCS HB 233 (Leara)		
MOSERS/MPERS/Judges All Public Plans	<u>24 Sections under Chapter 104 & Section 476.515</u> - Original bill provisions - Provisions and clarification relative to MOSERS/MPERS statutory provisions. SCS added: <u>Section 105.684</u> - Clarifies most recent completed actuarial valuation will be used to determine a plan's funded ratio relative to determining 80% funded ratio for benefit enhancements and exempts retirement plans from the 80% funded requirement when implementing provisions to conform with Federal law.	3rd Read & Passed in the Senate, reported to the House w/SCS - 4/30/13 H Calendar H Bills w/SA's - 5/1/13
SCS HB 329 (Dugger)		

Bills with Pension Provisions

May 1, 2013

System(s) Affected	Pension Provisions	Status
Bankruptcy Exemption	Financial Institution Bill SA #1 (Keavney) <u>Section 513.430</u> - Adds interest in health savings plan and inherited accounts to exemption list in bankruptcy proceedings.	3rd Read & Passed in the Senate w/amendments, reported to the House w/SCS as amended - 5/1/13
HCS HB 371 (Cox)		
PACARS Bankruptcy Exemption	Added in HCS: <u>Sections 56.807, 488.026</u> - PACARS - Includes to existing \$4 surcharge on criminal court cases those paying through the Fine Collection Center (currently excluded from surcharge). Modifies County contributions depending on Plan funded ratio. <u>Section 513.430</u> - Adds interest in health savings plan and inherited accounts to exemption list in bankruptcy proceedings.	Perfected w/HA's - 04/30/13
HCS HB 418 (Neth)		
KC Police & Civilian Employees Retirement System	<u>25 Sections under Chapter 86</u> - KC Police & Civilian Employees Section Creates a new benefit tier for members hired on or after 8/28/13.	S Seniors, Families & Pensions - voted DP 4/30/13
HCS HB 543 (Hoskins)		
All Public Plans	<u>Sections 29.216, 50.1030, 56.809, 70.605, 104.190, 104.480, 169.020</u> - Allows state auditor to perform audits on public pension plans.	Referred to S GAFO - 4/30/13
SCS HCS HB 722 (Leara)		
St. Louis Police Retirement System	<u>Section 86.257</u> - Modifies non-duty disability procedures and reduces vesting requirement associated with disability from 10 to 5 years (Vesting reduction is not effective until the System reaches 80% funded - as of 10/01/12 System was 78% funded).	S Seniors, Families & Pensions - voted DP w/SCS 4/30/13
HB 808 (Funderburk)		

Bills with Pension Provisions

May 1, 2013

System(s) Affected	Pension Provisions	Status
Public School Retirement System (PSRS) Public Education Employees' Retirement System (PEERS)	Teacher certification legislation HA #1 (Thompson) <u>Sections 169.070, 169.670</u> - Removes sunset date in regards to teaching certificates and permanently extends 25 & out for PSRS/PEERS and the 2.55% multiplier with 31+ years of service.	Hearing S Financial & Governmental Organizations & Elections - 4/29/13, 2:00 pm, Senate Lounge
HB 861 (Neth)		
Kansas City Public School Retirement System	<u>Sections 169.270, .291, .301, .324, .350</u> - Creates a new benefit tier for members hired on or after 01/01/14 and modifies employer/employee contribution rates.	Reported DP w/ HCS in H Retirement 4/11/13 and referred to H Rules