

HB 1490 -- MISSOURI LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

SPONSOR: Deeken

COMMITTEE ACTION: Voted "do pass by consent" by the Special Committee on Retirement by a vote of 7 to 0.

This bill changes the laws regarding the Missouri Local Government Employees' Retirement System (LAGERS). In its main provisions, the bill:

- (1) Requires at least a 10% reduction on a partial lump-sum distribution. Currently, if a retiree elects to receive a partial lump-sum distribution, a retiree's monthly allowance will be reduced accordingly based on his or her age at retirement;
- (2) Creates an additional retirement benefit payment option of joint and 100% survivor. A member electing this benefit will receive a reduced monthly allowance and upon death his or her eligible surviving beneficiary will receive 100% of the benefit amount the retiree was receiving at the time of his or her death;
- (3) Allows a retiree to authorize LAGERS to deduct premiums for health insurance or long-term care insurance from his or her retirement allowance; and
- (4) Creates a funding mechanism for survivor benefits when a member dies as the result of a duty-related injury or illness.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill allows the retirement system to offer an additional retirement option of joint and 100% survivor and will allow retirees to have insurance premiums deducted from their retirement check.

Testifying for the bill were Representative Deeken; and Missouri Local Government Employees' Retirement System.

OPPOSERS: There was no opposition voiced to the committee.