

HB 282 -- State Employee Deferred Compensation Plan

Sponsor: Franz

This bill specifies that each new employee eligible to participate in the Missouri Deferred Compensation Plan who is hired on or after July 1, 2012, will automatically be enrolled in the plan except for an employee of a state college or university. Contributions to the plan will be effective on or after the first day of the month following the date of hire; and his or her employer will withhold and contribute to the plan an amount equal to 1% of eligible compensation received on and after the date of hire unless the employee elects not to participate in the plan within the first 30 days of employment. An employee may change his or her contribution amount or opt in or out of the plan at any time.

Beginning September 1, 2011, a member's surviving spouse must automatically be designated as the primary beneficiary unless the surviving spouse consented in writing, witnessed by a notary public, to allow the participating member to designate someone else as the beneficiary. The automatic beneficiary designation will not apply to designations made prior to that date.

Currently, the state must credit an amount up to \$75 per month, as determined by appropriation, to each qualified participant's deferred compensation account if the participant is making continuous deferrals of at least \$25 per month, the participant has been employed by the state for at least 12 consecutive months, and the state contribution does not exceed the amount that the participant contributes. The bill removes these contribution conditions but requires the state to pay up to \$75 per month, as determined by appropriation, to each participant's account.