

HB 129 -- STATE EMPLOYEE HOLIDAYS AND EMPLOYEE RETIREMENT INCENTIVE PROGRAM

SPONSOR: Gatschenberger

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Retirement by a vote of 10 to 2.

This bill changes the laws regarding state employee benefits.

STATE EMPLOYEE HOLIDAYS (Section 9.020, RSMo)

The bill eliminates the twelfth day of February, the eighth day of May, and the second Monday in October and adds the fourth Friday in November as state employee holidays.

STATE EMPLOYEE RETIREMENT INCENTIVE PROGRAM (Sections 104.405 and 104.406)

The 2013 State Employee Retirement Incentive Program is established that allows any employee who has not been a retiree of the Missouri State Employees' Retirement System (MOSERS), who is eligible to receive a normal or life annuity and terminates employment on or after April 1, 2014, after reaching normal eligibility whose annuity commences on or after May 1, 2014, but no later than July 1, 2014, to be eligible to receive a years of service incentive benefit. Any employee terminated for cause will not be eligible to receive this incentive benefit.

For an eligible employee with at least 10 years of creditable service, the incentive benefit will be an amount equal to \$500 for each year of creditable service up to a maximum of 20 years. The state, through the Office of Administration, must pay the benefit to the retiree or the retiree's beneficiary in two equal installments beginning in August 2014 and ending in August 2015. An elected official or member of the General Assembly cannot be eligible for the incentive. An employee electing to take the retirement incentive is prohibited from any full-time employment with a state department and any part-time employment with a department by an employee electing to retire will not result in additional creditable service.

State departments may hire employees to replace the employees retiring under these provisions; however, they cannot fill the vacated positions using more than 30% of the personal service funds of the positions vacated. Exceptions to the 30% restriction may be made for positions that are entirely federally funded and those that are deemed critical.

The governing boards of Truman State University, Lincoln University, and any educational institution listed in Section 174.020; the Highway Commission of the Department of Transportation and the State Highway Patrol; and the Conservation Commission of the Department of Conservation may elect to provide their employees or retirees the same benefits as specified in the bill.

MOSERS must submit a report to the Commissioner of the Office of Administration by November 30, 2014, regarding the number of state employees eligible to retire and the actual number of retirements under the program. The commissioner must report this information to the Governor and General Assembly by December 31, 2014, along with a cost and savings analysis, the payroll reduction amount, and the number of positions that are cut as a result of these retirements. The commissioner must also submit an updated report concerning the program on or before December 31, 2015.

PROPONENTS: Supporters say that the bill will provide an incentive for eligible state employees to retire, and the state will not be required to lay off workers. This benefit will make it more feasible for some long-term employees to retire and will open up positions for individuals seeking employment.

Testifying for the bill was Representative Gatschenberger

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that MOSERS currently has approximately 150 members retiring monthly; if this bill were to pass with the current retirement window, it could disrupt the normal retirement patterns.

Testifying on the bill was Ronda Stegmann, Joint Committee on Public Employee Retirement.