

HCS HB 1741 & 1543 -- PUBLIC EMPLOYEE RETIREMENT BENEFITS (Leara)

COMMITTEE OF ORIGIN: Committee on Retirement

This substitute changes the laws regarding public employee retirement.

#### COUNTY EMPLOYEES' RETIREMENT SYSTEM

The substitute specifies that an active member of the County Employees' Retirement System who dies after December 31, 2002, and before becoming vested will receive a death benefit of \$10,000 and the amount equal to the member's accumulated contributions standing to his or her credit in the fund.

#### HIGHER EDUCATION EMPLOYEES' RETIREMENT

Beginning July 1, 2013, the substitute changes the laws regarding the defined contribution retirement plan for employees of certain higher education institutions. The employer contribution rate for institutions will no longer correspond to the rates used by the Missouri State Employees' Retirement System. The employer contribution rate will be equal to 7% of payroll and an institution can require a new employee to contribute up to 4% of his or her salary. The employee contributions will be considered deferred compensation under the United States tax code. A person who becomes an employee on or after July 1, 2013, will not be able to transfer into the Missouri State Employees' Retirement System after six years as a person is currently able to do.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.