

HB 485 -- STATE EMPLOYEE RETIREMENT SYSTEMS

SPONSOR: Koenig

This bill creates a hybrid retirement plan under the Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System for each person first becoming an employee, a member of the General Assembly, or a statewide elected official on or after January 1, 2016, including any member covered by Section 104.1091, RSMo, who terminated employment and is not entitled to receive a deferred annuity or has received a refund of member contributions and becomes an employee on or after January 1, 2016, excluding uniformed members of the highway patrol. In its main provisions, the bill:

(1) Lowers the multiplier factor for calculating retirement benefits under the defined benefit portion of the hybrid plan as follows:

(a) Reduces the state employee multiplier factor from 1.7% to 1% of the final average pay multiplied by the years of service;

(b) Reduces the General Assembly multiplier from one twenty-fourth of his or her highest monthly pay in office to one forty-eighth of his or her highest monthly pay in office multiplied by the years of service, not to exceed 50% of pay; and

(c) Reduces the statewide elected official multiplier from one twenty-fourth of his or her highest monthly pay in office to one forty-eighth of his or her highest monthly pay in office multiplied by the years of service, not to exceed 25% of pay;

(2) Changes the number of years required to be vested for retirement purposes from 10 years to five years for state employees hired on or after January 1, 2015 and employed on January 1 the next plan year after the funded ratio of the retirement system reaches at least 90%; and

(3) Requires all new members of the hybrid plan to participate in the defined contribution plan established under Section 105.927, with the employer contributing 3% and the participant contributing 1% of the participant's salary.