

HB 1540 -- EMPLOYER RETIREMENT PLANS

SPONSOR: Vescovo

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Workforce Standards and Development by a vote of 7 to 2. Voted "Do Pass with HCS" by the Select Committee on Labor and Industrial Relations by a vote of 5 to 3.

This bill requires the administrator of any multi-employer retirement plan to provide a summary annual report to every participant and beneficiary under such plan.

Information in the summary report shall be based on the plan's most recent annual report as required by the Employee Retirement Income Security Act of 1974, as amended.

Information in the summary annual report shall contain the following:

- (1) A basic financial statement including expenses, benefits paid, asset and liability valuations, total number of participants and beneficiaries;
- (2) If minimum funding standards are being met as required for a defined benefit plan or a defined contribution plan; and
- (3) Additional information including, an accountant's report, payments to service providers, assets held for investment, fiduciary information, obligations in default or uncollectible; transactions exceeding 5% of plan assets and actuarial funding information.

PROPOSERS: Supporters say that public union members have a right to know the status of their pensions. ERISA requires the reporting, but it is not getting reported to everyone. This would add clarity and transparency for plan participants and beneficiaries.

Testifying for the bill was Representative Vescovo.

OPPOSERS: Those who oppose the bill say that this creates more reporting and more costs on defined contribution plans, because the reporting is already required by federal law. Opponents also say that this bill creates conflicting report requirements.

Testifying against the bill were Timothy P Green, IBEW1/St. Louis Neca; International Union Of Painters And Allied Trades District Council# 3; International Union Of Painters And Allied Trades

District Council#58; and the Missouri Electrical Conference.

OTHERS: Others testifying on the bill say that this bill mirrors ERISA, and all the reporting requirements in the bill are already required by federal law, and most, if not all, public unions already comply with ERISA. Union pensions are suffering and it would be merciful to let participants and beneficiaries know and send as accurate a statement as possible. The leeway allowed in the reporting should be tightened up.

Testifying on the bill were Missouri State Labor Council, AFL-CIO; Mark Dalton, St. Louis-Kansas City Carpenters Regional Council; Missouri-Kansas Conference Of Teamsters; and Dr. John McGowan.