



MRTA Legislative Day February 17, 2016

ISSUES OF IMPORTANCE 2016 LEGISLATIVE SESSION

PRIORITY #1 - Protecting public education retirees' pension benefits and retirement system.

A. MRTA opposes any 401(k) Defined Contribution (D.C.) plans for Missouri public employees including the Legislature. We oppose the following legislation because it is in concert with #8 of the "20 for 2020" of the Show Me Institute (Rex Sinquefeld) Agenda which proposes a 401(k) plan for PSRS/PEERS employees.

1. **MRTA opposes HB 1591 (Koenig).** Establishes a hybrid retirement plan and requires all new members of the plan to participate in the D.C. for state employees and elected officials.
2. **MRTA opposes SB 680 (Emery),** puts State Legislators into a 401(k) retirement plan; MRTA opposes any 401(k) D.C. plans for Missouri public employees including the Legislature. This is a slippery slope that leads to educators being put into a 401(k).

B. **MRTA Strongly Opposes HB 1783 (Jay Barnes of Cole County) as Written.** The bill would allow PSRS retirement accounts to be treated as marital property and subject to court-ordered division in divorce proceedings. Currently, PSRS retirement accounts, like Social Security accounts, are considered nonmarital property and may not be divided in a divorce proceeding, but may be factored into just division of marital property. MRTA believes the current process allows for just division of property and opposes the change. We respectfully ask to be removed from the Legislation. MRTA testified against HB 1783 on February 10th.

PRIORITY #2 – MRTA supports reforms which enhance the lives of all public education retirees.

- A.** **MRTA supports HB 1709 (Lair).** This legislation is an MRTA priority and allows pension benefits to "POP UP" after a divorce with the ruling on assets by a court. The bill also allows an extension from 90 days to one year for a retiree to add a beneficiary if remarries.
- B.** **MRTA supports HB 1710 (Lair)** which requires that any retiree who is employed by a third party or is performing work as an independent contractor as a temporary or long-term substitute teacher be required to comply with the statutory working after retirement requirements of 50% salary and 550 hours.
- C.** **MRTA supports HB 1420 (Walker), 1780 (Fitzwater), and SB 954 (Pearce).** This legislation reinstates the 2.55 factor for educators after 31 years of service. This legislation is a net monetary GAIN for the PSRS/PEERS systems and will help retain good educators in the classroom.
- D.** **MRTA strongly supports HB 2550 (Burns) a Cost-of-Living Adjustment (COLA) for the Saint Louis City retirees who have not had a COLA for 10 years.** This is an issue of fairness in the fact that PSRS/PEERS retirees have an automatic COLA written into Missouri Law. Saint Louis City retirees have lost approximately 20% of their buying power in the last 9 years. **The Kansas City System retirees have not had a COLA in 7 years.** We call on the Legislature to persuade the Kansas City School System and the PSRS of Kansas City, the Saint Louis School District and the PSRS of STL to grant a COLA increase in 2016 to current retirees.
- E.** **MRTA supports full funding of the Foundation Formula and opposes the use of public tax dollars for private schools.** The Public School Foundation Formula is currently underfunded by at least \$500 million dollars.