

<b>SB 896</b>	Requires the boards of the Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System to create a defined contribution retirement plan for certain employees and judges
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<b>Sponsor:</b>	<i>Shields</i>	<i>Co-Sponsor(s)</i>	
<b>LR Number:</b>	4934S.011	<b>Fiscal Note:</b>	<a href="#">4934-01N.ORG</a>
<b>Committee:</b>	Veterans' Affairs, Pensions and Urban Affairs		
<b>Last Action:</b>	5/14/2010 - S Informal Calendar S Bills for Perfection--SB 896-Shields and Crowell, with SA 1 (pending)	<b>Journal Page:</b>	
<b>Title:</b>		<b>Calendar Position:</b>	
<b>Effective Date:</b>	August 28, 2010		

[Full Bill Text](#) | 
 [All Actions](#) | 
 [Available Summaries](#) | 
 [Senate Home Page](#) | 
 [List of 2010 Senate Bills](#)

### Current Bill Summary

SB 896 - This act requires the boards of the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) to each create a defined contribution retirement plan. These plans are for any person who is hired for the first time as a state employee or serves as a judge for the first time on or after January 1, 2011. This retirement plan would provide individual accounts for each employee. The amount of benefits provided to each employee are based solely on the amount allocated to the employee's account, and these benefits vest immediately. The MOSERS and MPERS boards are also required to select the outside administrators to administer these retirement plans. If the boards consider it appropriate, the employees in the defined contribution plan may direct investment of their individual accounts among investment options selected by each board.

Each state department is required to pay an annual contribution rate for each employee in the defined contribution plan. This contribution rate is determined by the general assembly in the appropriations process, but may not be less than one percent of the annual pay for each employee that participates in the plan.

The MOSERS and MPERS boards and their employees will not be liable for investment decisions made by individual employees, as long as each board selects and monitors the investment providers, education, advice, and any default investment option, as a prudent person would. The MOSERS and MPERS systems are immune from lawsuits associated with the administration of the defined contribution plan.

State employees who are members of the closed plan or year 2000 plan have the option to decide to participate in the new defined contribution plan. The employees who decide to participate in the defined contribution plan will not receive any additional credit in their current retirement plan after they decide to participate in the defined contribution plan.

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