

FIRST REGULAR SESSION

SENATE BILL NO. 77

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BLACK.

1077S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 104.436 and 104.1066, RSMo, and to enact in lieu thereof two new sections relating to public employee retirement systems.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 104.436 and 104.1066, RSMo, are
2 repealed and two new sections enacted in lieu thereof, to be
3 known as sections 104.436 and 104.1066, to read as follows:

104.436. 1. The board intends to follow a financing
2 pattern which computes and requires contribution amounts
3 which, expressed as percents of active member payroll, will
4 remain approximately level from year to year and from one
5 generation of citizens to the next generation. Such
6 contribution determinations require regular actuarial
7 valuations, which shall be made by the board's actuary,
8 using assumptions and methods adopted by the board after
9 consulting with its actuary. The entry age normal cost
10 valuation method shall be used in determining **the** normal
11 cost[, and contributions for unfunded accrued liabilities
12 shall be determined using level percent-of-payroll
13 amortization] **calculation.**

14 2. At least ninety days before each regular session of
15 the general assembly, the board shall certify to the
16 division of budget the contribution rate necessary to cover
17 the liabilities of the plan administered by the system,
18 including costs of administration, expected to accrue during

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 the next appropriation period. The commissioner of
20 administration shall request appropriation of the amount
21 calculated pursuant to the provisions of this subsection.
22 Following each pay period, the commissioner of
23 administration shall requisition and certify the payment to
24 the executive director of the Missouri state employees'
25 retirement system. The executive director shall promptly
26 deposit the amounts certified to the credit of the Missouri
27 state employees' retirement fund.

28 3. The employers of members of the system who are not
29 paid out of funds that have been deposited in the state
30 treasury shall remit promptly to the executive director an
31 amount equal to the amount which the state would have paid
32 if those members had been paid entirely from state funds.
33 The executive director shall promptly deposit the amounts
34 certified to the credit of the Missouri state employees'
35 retirement system fund.

36 4. These amounts are funds of the system, and shall
37 not be commingled with any funds in the state treasury.

104.1066. 1. The year 2000 plan intends to follow a
2 financing pattern which computes and requires contribution
3 amounts which, expressed as percents of active member
4 payroll, will remain approximately level from year to year
5 and from one generation of citizens to the next generation.
6 Such contribution determinations require regular actuarial
7 valuations, which shall be made by the board's actuary,
8 using assumptions and methods adopted by the board after
9 consulting with its actuary. The entry age-normal cost
10 valuation method shall be used in determining **the** normal
11 cost[, and contributions for unfunded accrued liabilities
12 shall be determined using level percent-of-payroll
13 amortization] **calculation**. For purposes of this subsection

14 and section 104.436, the actuary shall determine a single
15 contribution rate applicable to both closed plan and year
16 2000 plan participants and, in determining such rate, make
17 estimates of the probabilities of closed plan participants
18 transferring to the year 2000 plan.

19 2. At least ninety days before each regular session of
20 the general assembly, the board of the Missouri state
21 employees' retirement system shall certify to the division
22 of budget the contribution rate necessary to cover the
23 liabilities of the year 2000 plan administered by such
24 system, including costs of administration, expected to
25 accrue during the next appropriation period. The
26 commissioner of administration shall request appropriations
27 based upon the contribution rate so certified. From
28 appropriations so made, the commissioner of administration
29 shall certify contribution amounts to the state treasurer
30 who in turn shall immediately pay the contributions to the
31 year 2000 plan.

32 3. The employers of members covered by the Missouri
33 state employees' retirement system who are not paid out of
34 funds that have been deposited in the state treasury shall
35 remit following each pay period to the year 2000 plan an
36 amount equal to the amount which the state would have paid
37 if those members had been paid entirely from state funds.
38 Such employers shall maintain payroll records for a minimum
39 of five years and shall produce all such records as
40 requested by the system. The system is authorized to
41 request from the state office of administration an
42 appropriation out of the annual budget of any such employer
43 in the event such records indicate that such employer has
44 not contributed the amounts required by this section. The
45 office of administration shall request such appropriation

46 which shall be equal to the amount necessary to replace any
47 shortfall in contributions as determined by the system.
48 From appropriations so made, the commissioner of
49 administration shall certify contribution amounts to the
50 state treasurer who in turn shall immediately pay such
51 contributions to the year 2000 plan.

52 4. At least ninety days before each regular session of
53 the general assembly, the board of the transportation
54 department and highway patrol retirement system shall
55 certify to the department of transportation and the
56 department of public safety the contribution rate necessary
57 to cover the liabilities of the year 2000 plan administered
58 by such system, including costs of administration, expected
59 to accrue during the next biennial or other appropriation
60 period. Each department shall include in its budget and in
61 its request for appropriations for personal service the sum
62 so certified to it by such board, and shall present the same
63 to the general assembly for allowance. The sums so
64 certified and appropriated, when available, shall be
65 immediately paid to the system and deposited in the highway
66 and transportation employees' and highway patrol retirement
67 and benefit fund.

68 5. These amounts are funds of the year 2000 plan and
69 shall not be commingled with any funds in the state treasury.

✓