

LEGISLATIVE UPDATE

From Mike Morris...

All,

MODOT presented its budget to the House Budget Committee this week. There was a great deal of discussion about the request for the Pilot Program to allow new employees to opt for a defined contribution retirement plan rather than the existing MPERS plan. Mr. McKenna said the department thought it might take several years to get approval for implementing the Pilot Program. He also indicated there would need to be some statutory changes made to allow this plan to happen. He indicated there has been a little preliminary drafting of legislation, but until they get a sense of how the plan would be received, they have not attempted to get the legislation filed.

Rep. Kendrick asked if there has been consideration given to the long term impact on MPERS. McKenna said there would be some impact on the amount of the contribution of payroll going to improve the MPERS funded ratio, but it would only impact new employees.

I haven't seen any activity on Sen. Burlison's plan to combine MOSERS and MPERS and he has not filed any legislation to do so. I will continue to watch for activity here.

There have been omnibus bills filed in both houses to make a number of changes to retirement issues. There doesn't appear to be major changes on first reading but I will update you as I work through the bills.

You can view all legislation related to retirement issues at JCPER.org under the Legislative Information tab.

I had a brief discussion with the Dan Haug, the State Budget Director about the deferred comp match program that was funded until a few years ago. Since the statewide salary study that was completed a couple of years ago showed so many employees were underpaid, my impression is that will be the near term focus. Only some 30% of employees participated in the match program. I will continue to have some conversations with legislators about the program.

Mike Morris