

2017 Legislation Affecting MOSERS

Legislative Session Recap

- **House Bill 5** – The General Assembly authorized the appropriation of \$393 million to MOSERS for Fiscal Year 2018 which fully funds the Board certified employer contribution rate. This dollar amount was generated from the contribution rates calculated in the annual Actuarial Valuations performed by MOSERS’ retained actuarial professionals and certified by the MOSERS Board of Trustees at its September 2016 Board meeting. The Governor signed House Bill 5 on June 30, 2017, which resulted in full funding of MOSERS at the contribution rate as certified by MOSERS Board of Trustees in September 2016.
- **Senate Bill 62** – Modifies provisions regarding various pension systems and forfeiture of a pension benefit due to a felony conviction. As it relates to MOSERS, the proposal:
 - **College & University Retirement Plan (CURP)** – Sets the employer contribution rate to CURP at 6% rather than being 1% below MOSERS’ Employer Normal Cost effective July 1, 2018 (FY19). This bill also requires new employees hired on or after July 1, 2018 to contribute 2% of payroll to the CURP.
 - **Reduced Vesting Period for MSEP 2011 members** – Effective January 1, 2018, reduces the 10-year vesting period for MSEP 2011 members to 5 years and provides that new terminated-vested* members of MSEP 2011 will: 1) not be eligible to receive service credit for sick leave accruals, 2) not have survivor benefits payable at the time of death but rather at the time when the member would have been eligible for normal retirement, and 3) have cost-of-living adjustments begin on the second anniversary of retirement, rather than on the first anniversary of retirement.

- ***Terminated-Vested Buyout*** – Allows the MOSERS Board of Trustees to choose to establish a buyout program for terminated-vested members with the program authorization expiring May 31, 2018. The Board may set rules for the program. Any terminated-vested member who elects the lumpsum buyout and then returns to state employment will be considered a new employee and placed in the MSEP 2011.
- ***Pension Forfeiture*** – Modifies the “found guilty” requirement to “convicted” to provide consistency with other forfeiture statutes and to provide more certainty to the determination of forfeiture and provides that the affected employer will notify the applicable retirement system, rather than the court. This provision was originally enacted in 2014 and applies to all public pension plans. These pension forfeiture provisions also passed in Senate **Bill 34**. The Governor signed SB 62 on July 14.

* *A terminated-vested member is someone who has left state employment but has enough service to qualify for a pension benefit in the future once they also reach the age requirement for retirement.*