

SECOND REGULAR SESSION

SENATE BILL NO. 1022

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCOTT.

Read 1st time February 17, 2000, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4150S.021

AN ACT

To repeal sections 105.905, 105.910, 105.915 and 105.925, RSMo 1994, relating to deferred compensation, and to enact in lieu thereof four new sections relating to the same subject.

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

Section A. Sections 105.905, 105.910, 105.915 and 105.925, RSMo 1994, are repealed and four new sections enacted in lieu thereof, to be known as sections 105.905, 105.910, 105.915 and 105.925, to read as follows:

105.905. Notwithstanding any law to the contrary, the state of Missouri, or any city, county, or other political subdivision shall be authorized to enter into a written contract with any of their employees to defer, in whole or in part, any part of their gross compensation and invest said funds in any such manner as prescribed by the deferred compensation program of the state, or its cities, counties, or other political subdivisions and as permitted [under subsequent] **pursuant to the** provisions of sections 105.900 to 105.925.

105.910. [1. Sections 105.900 to 105.925 shall provide for the establishment of] **There is hereby established** the "Missouri State Public Employees Deferred Compensation Fund". [This fund shall be administered by the Missouri state public employees deferred compensation commission] **Effective January 1, 2001, responsibility for the administration of the fund shall be transferred from the Missouri state employees deferred compensation commission to the board of trustees of the Missouri state employees retirement system "board", at which time the Missouri state employee deferred compensation commission shall cease to exist.** The [commission] **board** shall approve any deferred compensation agreement entered into by the state pursuant to sections 105.900 to 105.925 and shall oversee the

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

orderly administration of the fund in compliance with the [subsequent] provisions of sections 105.900 to 105.925. **Any contracts entered into by the Missouri state employees deferred compensation commission prior to January 1, 2001, which would otherwise continue in effect beyond that date shall be presumed to have been entered into by the board.**

[2. Such commission shall have five commissioners, including one member of the Missouri state house of representatives to be selected by the speaker of the house, one member of the Missouri state senate to be selected by the president pro tempore of the senate, and three other such commissioners to be appointed by the governor of the state of Missouri by and with the advice and consent of the senate. The legislators appointed as commissioners shall serve during their terms of office in the general assembly. The commissioners appointed by the governor shall serve a term of three years; except that, of the commissioners first appointed, one shall be appointed for a term of one year, one shall be appointed for a term of two years, and one shall be appointed for a term of three years. The commission shall annually elect a chairman and shall be required to meet not less than quarterly or at any other such time as called by the chairman or a majority of the commission.]

105.915. 1. [Subject to the approval of Missouri state public employees deferred compensation commission, the office of administration] **The board** shall establish and administer a deferred compensation plan for the employees of the state of Missouri. Participation in such plan shall be by a specific written agreement between such employees and the state which shall provide for the deferral of such amount of compensation as requested by the employee. Participating employees must authorize that such deferrals be made from their wages for the purpose of participation in such program.

2. [Notwithstanding any other provision of this code,] Funds **shall be** held [for the state] **in trust** by the [Missouri public employees deferred compensation commission] **board** pursuant to written deferred compensation [agreement] **agreements** between the state and participating employees **and** may be invested, in such investments as are deemed appropriate [by the office of administration and approved by the commission, including, but not limited to, life insurance or annuity contracts or mutual funds. It is further provided that all such insurance, annuities, mutual funds, or other such investment products to be offered pursuant to this plan shall have been reviewed] and selected by the [commission] **board** based on a competitive bidding process as established by such specifications and considerations as are deemed appropriate by the [commission] **board**. Such investments shall not be construed to be a prohibited use of the general assets of the state.

3. [In no case shall such investment be offered by other than such persons and companies authorized and duly licensed by the state of Missouri and applicable federal regulatory agencies to offer such insurance or investment programs in compliance with all relevant provisions of this code] **The board may assess the accounts of participating employees in amounts**

necessary to defray its cost of administering the plan. Any such assessments shall be reported to the participating employees on their periodic statements of account.

105.925. 1. As provided in sections 105.900 to 105.925, any city, county, institution of the state of Missouri, or other political subdivision may establish for its employees a deferred compensation program. Participation shall be by written agreement between such employees and the legislative authority of the city, county, institution, or other political subdivision providing for the deferral of such compensation and the subsequent investment and administration of such funds.

2. For purposes of funding such agreements between the city, county, institution, or other such political subdivision and the participating employees, the agency or department as designated by the legislative authority to establish and administer such plans may invest such funds, with the consent of the participating employee, in such investments deemed appropriate by said agency or department, including, but not limited to, life insurance or annuity contracts. Such payments shall not be construed to be a prohibited use of the general assets of the political subdivision.

3. Notwithstanding any provision of sections 105.900 to 105.925 of the Missouri revised statutes to the contrary, this section does not limit the power or authority of any city, county, municipal corporation, political subdivision, or any institution supported in whole or in part by public funds to establish and administer any other such deferred compensation plans as might be deemed appropriate by the officials of such subdivisions or institutions. [Providing, however, that in no case may any insurance or investment as authorized under such a plan be offered by other than a duly licensed resident agent representing a company duly licensed and authorized by the state of Missouri and other applicable federal regulatory agencies to offer such insurance or investment programs in compliance with all provisions of this code.]

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