



SENATOR MATT BARTLE

District 8 – Capitol Building, Room 431 Jefferson City, MO 65101

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Contact: Todd Scott
(573) 751-1464 / (888) 711-9278

Legislature Acts to Close “Golden Parachute” Loophole

For the past several weeks this column has discussed efforts that are underway to cut out government waste and save taxpayer dollars. This week I want to look at one more example of how we have been able to close a loophole that was costing the state money.

This loophole was a provision in Missouri’s retirement laws that allowed certain people, usually state legislators, to dramatically increase their retirement by thousands of dollars for as little as a few days or months of work.

Here’s the problem. The old law allowed certain officials, called administrative law judges (ALJs), who review appeals of decisions of state agencies, to become eligible for special retirement benefits the day they started the job if they had enough previous state service. A good example of how this system was abused came a couple of years ago when Gov. Holden appointed a person who served a mere two weeks on the Labor Commission as an ALJ and will collect a lifetime pension benefit totaling more than \$26,000 per year once he retires. How many people in the private sector have access to that kind of deal?

Later in the same month, Gov. Holden appointed another political friend to fill this same spot, this time a legislator whose retirement benefits were automatically increased by approximately \$19,000 per year, even though he only served a few months before being replaced by the new governor.

Unfortunately, for many years this loophole had been used by both parties, and several former legislators and others have taken advantage of it. The time was long overdue to close this loophole and cut the strings of the “golden parachutes” that were being handed out in Jefferson City.

In response to the abuse of the state retirement system, in 2005 I filed legislation to close this loophole in state law. Last year my bill was combined with other bills from likeminded legislators, the result being a new law that finally closed this loophole.

This special retirement benefit given to a privileged few was simply not good government, and it is no wonder that the public is cynical of what goes on in Jefferson City. Giving out “golden parachutes” to people who are appointed to serve the public is the kind of thing that gives Missouri government a black eye, and I am pleased to say the Legislature finally did the right thing and fixed it.

If you have comments or questions about this week’s column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by e-mail at matt_bartle@senate.mo.gov or by phone at (888) 711-9278.

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