



Senator Luann Ridgeway – Serving Clay County

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## Update: Saving Clay County Jobs and Protecting Teacher Retirement

Today, I joined my colleagues in the Senate and House in the Capitol to convene for a special session. We will focus on two measures: the Missouri Manufacturing Jobs Act and pension reform. I'd like to take a few minutes and go over the implications of each bill.

On the last day of the regular session, I led the effort that passed the Missouri Manufacturing Jobs Act out of the Senate. This measure would have provided tax incentives to certain companies that create or retain Missouri jobs. In particular, this legislation was aimed at our Ford automotive assembly plant in Claycomo, and at saving the jobs of the more than 3,500 people who work there. Unfortunately, time ran out before the House could reach a consensus on the bill.

It looked as though we had lost our opportunity to strengthen Missouri's manufacturing and automotive industries. Since the legislative session ended May 14<sup>th</sup>, I have worked tirelessly with local community leaders and my Senate colleagues to build a case for Governor Nixon to call a special session.

For those who may not know, calling a special session is a unique power of the executive branch to call the Legislature back to the Capitol to revisit legislation that did not pass during the regular session.

Last week, we were given the news that the Governor called for the Legislature to convene for a special session to pass the job retention bill and offset the costs with a separate state employee

pension reform measure. The session began today at noon, and is expected to run through July 1.

The bill we will work on in the coming days would allow qualified manufacturing facilities or suppliers that create or retain jobs and bring new product lines to Missouri to keep a portion of their employee withholding taxes. Ford has to invest in Missouri jobs right here in Clay County before they ever get any benefit. Further, the jobs must remain here or Ford will lose this incentive. In other words, Ford gets nothing unless jobs stay here or jobs expand here.

The time to act on the measure is now, as Ford is in the midst of deciding where to manufacture its new product lines. With other states and nations aggressively vying for these jobs, Missouri must step up and stand out as a prime location for Ford to produce next-generation vehicles. Losing out on a new product line at the Claycomo plant would be a terrible blow for the Clay County economy, as well as the entire state. You may be surprised to learn that Ford spends more than \$1.5 billion annually in purchases from Missouri suppliers. To name just a couple local suppliers that would be immediately affected: Magna Seating in Excelsior Springs and Piston Automotive in Liberty. **In fact, Ford purchases from suppliers in every county in Missouri except one.**

To maintain Missouri's constitutional requirement to balance the state budget, we must also take steps to offset the costs of the job creation package. This is where pension reform factors into the special session, as lawmakers will also consider a bill that will make changes to the retirement plan for new state employees. Like the Missouri Manufacturing Jobs Act, we discussed a pension reform bill during the regular session as part of our "Rebooting Government" efforts, but it did not pass before session came to a close.

Pension reform entails creating a new retirement plan for anyone who becomes a state employee on or after January 1, 2011 (the changes would not affect current state employees). Members of this new system would be required to contribute 4 percent of their pay to the retirement system and work for the state for at least 10 years to gain ownership of their benefits. For regular retirement eligibility under the new plan, employees would need to reach age 67 and have at least 10 years of service, or reach age 55 with the sum of their age and service equaling at least 90.

I've had many concerned constituents contact my office wondering how the retirement plan changes would affect teachers and other school employees. Bottom line: they wouldn't. The Public School Retirement System (PSRS) and Public Education Employee Retirement System (PEERS) would continue as is and the legislation would not affect members of these systems in any way. **Teachers can rest assured that I have no intention to do anything other than protect their retirement.**

I'll provide you with an update at the close of the special session.

Contact Information

Capitol Office

State Capitol Building  
Room 221  
Jefferson City, MO 65101

Website:

<http://www.senate.mo.gov/ridgeway>

Phone Number:

(toll-free) 866.875.8348  
573.751.2547