

SECOND REGULAR SESSION

SENATE BILL NO. 896

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS SHIELDS AND CROWELL.

Read 1st time February 4, 2010, and ordered printed.

TERRY L. SPIELER, Secretary.

4934S.01I

AN ACT

To amend chapter 104, RSMo, by adding thereto five new sections relating to a defined contribution plan for certain state employees.

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

Section A. Chapter 104, RSMo, is amended by adding thereto five new sections, to be known as sections 104.1300, 104.1303, 104.1305, 104.1307, and 104.1309, to read as follows:

104.1300. As used in sections 104.1300 to 104.1307, the following terms mean:

(1) "Board of trustees", "board", or "trustees", a governing body or bodies established for the year 2000 plan under sections 104.1003 to 104.1093;

(2) "Employee", any person who otherwise would meet the definition of "employee" under section 104.1003, who is hired for the first time as a state employee on or after January 1, 2011, or any person who otherwise would meet the definition of "judge" under section 476.515, who serves for the first time as a judge on or after January 1, 2011;

(3) "System" or "retirement system", the Missouri state employees' retirement system or the Missouri department of transportation and highway patrol employees' retirement system, as the case may be.

104.1303. The board of trustees of each system shall:

(1) Establish a defined contribution plan, intended to qualify as a profit sharing plan under section 401(a) of the Internal Revenue Code, for employees who otherwise would be covered by that respective system which, among other things, provides for an individual account for each participant and for benefits based solely on the amount

7 allocated to the participant's account and for immediate vesting;

8 (2) Select third-party administrators to provide such services as
9 the board determines to be necessary for the proper administration of
10 the defined contribution plan;

11 (3) Hold all assets and income of the defined contribution plan
12 in trust for the exclusive benefit of participants and their beneficiaries;

13 (4) Select the investments of such trust, and permit the
14 participants in the defined contribution plan to direct investment of
15 their individual accounts among investment options, if deemed
16 appropriate by the board;

17 (5) Amend the plan from time to time as necessary or
18 appropriate to comply with section 401(a) of the Internal Revenue Code
19 and the purposes of this section; and

20 (6) Establish such rules and regulations as may be necessary to
21 carry out the purposes of this section under the authority granted by
22 section 104.1063.

104.1305. Subject to the applicable limits of the Internal Revenue
2 Code, the annual contribution rate for each employee participating in
3 the defined contribution plans shall be paid by the employer and shall
4 be equal to the contribution rate determined by the general assembly
5 under the appropriation process but in no event shall the rate be less
6 than one percent of the annual pay for each participating
7 employee. The term "pay" as used in this section shall be defined in the
8 plan document, in a manner substantially similar to the definition of
9 pay in section 104.1003.

104.1307. 1. The employer, as defined in section 104.1003, and
2 any third-party administrator shall provide such information to the
3 systems as may be required to implement the provisions of sections
4 104.1300 to 104.1307.

5 2. The board and employees of the system shall not be liable for
6 the investment decisions made or not made by participating employees
7 in the defined contribution plan established under section 104.1303 as
8 long as the board acts with the same skill, prudence, and diligence in
9 the selection and monitoring of providers of investment products,
10 education, advice, or any default investment option, under the
11 circumstances then prevailing that a prudent person acting in a similar
12 capacity and familiar with those matters would use in the conduct of

13 a similar enterprise with similar aims.

14 3. The system shall be immune from suit and shall not be subject
15 to any claim or liability associated with the administration of the
16 defined contribution plan established under section 104.1303 by the
17 board and employees of the system.

104.1309. Employees who are members of the closed plan or year
2 2000 plan as defined under section 104.1003 may make a one-time
3 irrevocable election to participate in the defined contribution plan
4 established under section 104.1303 under an election process
5 established by each system. Employees who elect to participate in the
6 defined contribution plan shall not accrue any additional creditable or
7 credited service in the closed plan or year 2000 plan after the date of
8 such election but only with respect to services rendered by the
9 employee before the effective date of such election. Compensation paid
10 to the employee after the effective date of such election shall not be
11 taken into account by the closed plan or year 2000 plan.

Bill ✓

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