

SECOND REGULAR SESSION

# SENATE BILL NO. 1401

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BLACK.

5573S.01I

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 104.436 and 104.1066, RSMo, and to enact in lieu thereof two new sections relating to the employer contribution rate for certain higher education institutions.

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

Section A. Sections 104.436 and 104.1066, RSMo, are  
2 repealed and two new sections enacted in lieu thereof, to be  
3 known as sections 104.436 and 104.1066, to read as follows:

104.436. 1. The board intends to follow a financing  
2 pattern which computes and requires contribution amounts  
3 which, expressed as percents of active member payroll, will  
4 remain approximately level from year to year and from one  
5 generation of citizens to the next generation. Such  
6 contribution determinations require regular actuarial  
7 valuations, which shall be made by the board's actuary,  
8 using assumptions and methods adopted by the board after  
9 consulting with its actuary. The entry age normal cost  
10 valuation method shall be used in determining the normal  
11 cost calculation.

12 2. At least ninety days before each regular session of  
13 the general assembly, the board shall certify to the  
14 division of budget the contribution rate necessary to cover  
15 the liabilities of the plan administered by the system,  
16 including costs of administration, expected to accrue during  
17 the next appropriation period. The commissioner of  
18 administration shall request appropriation of the amount

19 calculated pursuant to the provisions of this subsection.  
20 **Beginning August 28, 2024, in the event the board certifies**  
21 **a contribution rate that exceeds twenty-eight and three-**  
22 **quarters percent, the commissioner of administration shall**  
23 **include in his or her appropriation request an amount equal**  
24 **to the difference between the greater contribution rate and**  
25 **twenty-eight and three-quarters percent of compensation for**  
26 **the members of Harris-Stowe State University, Lincoln**  
27 **University, Missouri State University, Missouri Southern**  
28 **State University, Missouri Western State University,**  
29 **Northwest Missouri State University, Southeast Missouri**  
30 **State University, Southwest Missouri State University, State**  
31 **Technical College of Missouri, Truman State University, and**  
32 **University of Central Missouri.** Following each pay period,  
33 the commissioner of administration shall requisition and  
34 certify the payment to the executive director of the  
35 Missouri state employees' retirement system. The executive  
36 director shall promptly deposit the amounts certified to the  
37 credit of the Missouri state employees' retirement fund.

38 3. The employers of members of the system who are not  
39 paid out of funds that have been deposited in the state  
40 treasury shall remit promptly to the executive director an  
41 amount equal to the amount which the state would have paid  
42 if those members had been paid entirely from state funds,  
43 **except as provided in subsection 2 of this section.** The  
44 executive director shall promptly deposit the amounts  
45 certified to the credit of the Missouri state employees'  
46 retirement system fund.

47 4. These amounts are funds of the system, and shall  
48 not be commingled with any funds in the state treasury.

104.1066. 1. The year 2000 plan intends to follow a  
2 financing pattern which computes and requires contribution

3 amounts which, expressed as percents of active member  
4 payroll, will remain approximately level from year to year  
5 and from one generation of citizens to the next generation.  
6 Such contribution determinations require regular actuarial  
7 valuations, which shall be made by the board's actuary,  
8 using assumptions and methods adopted by the board after  
9 consulting with its actuary. The entry age-normal cost  
10 valuation method shall be used in determining the normal  
11 cost calculation. For purposes of this subsection and  
12 section 104.436, the actuary shall determine a single  
13 contribution rate applicable to both closed plan and year  
14 2000 plan participants and, in determining such rate, make  
15 estimates of the probabilities of closed plan participants  
16 transferring to the year 2000 plan.

17 2. At least ninety days before each regular session of  
18 the general assembly, the board of the Missouri state  
19 employees' retirement system shall certify to the division  
20 of budget the contribution rate necessary to cover the  
21 liabilities of the year 2000 plan administered by such  
22 system, including costs of administration, expected to  
23 accrue during the next appropriation period. The  
24 commissioner of administration shall request appropriations  
25 based upon the contribution rate so certified. **Beginning**  
26 **August 28, 2024, in the event the board certifies a**  
27 **contribution rate that exceeds twenty-eight and three-**  
28 **quarters percent, the commissioner of administration shall**  
29 **include in his or her appropriation request an amount equal**  
30 **to the difference between the greater contribution rate and**  
31 **twenty-eight and three-quarters percent of compensation for**  
32 **the members of Harris-Stowe State University, Lincoln**  
33 **University, Missouri State University, Missouri Southern**  
34 **State University, Missouri Western State University,**

35 **Northwest Missouri State University, Southeast Missouri**  
36 **State University, Southwest Missouri State University, State**  
37 **Technical College of Missouri, Truman State University, and**  
38 **University of Central Missouri.** From appropriations so  
39 made, the commissioner of administration shall certify  
40 contribution amounts to the state treasurer who in turn  
41 shall immediately pay the contributions to the year 2000  
42 plan.

43 3. The employers of members covered by the Missouri  
44 state employees' retirement system who are not paid out of  
45 funds that have been deposited in the state treasury shall  
46 remit following each pay period to the year 2000 plan an  
47 amount equal to the amount which the state would have paid  
48 if those members had been paid entirely from state funds,  
49 **except as provided in subsection 2 of this section.** Such  
50 employers shall maintain payroll records for a minimum of  
51 five years and shall produce all such records as requested  
52 by the system. The system is authorized to request from the  
53 state office of administration an appropriation out of the  
54 annual budget of any such employer in the event such records  
55 indicate that such employer has not contributed the amounts  
56 required by this section. The office of administration  
57 shall request such appropriation which shall be equal to the  
58 amount necessary to replace any shortfall in contributions  
59 as determined by the system. From appropriations so made,  
60 the commissioner of administration shall certify  
61 contribution amounts to the state treasurer who in turn  
62 shall immediately pay such contributions to the year 2000  
63 plan.

64 4. At least ninety days before each regular session of  
65 the general assembly, the board of the transportation  
66 department and highway patrol retirement system shall

67 certify to the department of transportation and the  
68 department of public safety the contribution rate necessary  
69 to cover the liabilities of the year 2000 plan administered  
70 by such system, including costs of administration, expected  
71 to accrue during the next biennial or other appropriation  
72 period. Each department shall include in its budget and in  
73 its request for appropriations for personal service the sum  
74 so certified to it by such board, and shall present the same  
75 to the general assembly for allowance. The sums so  
76 certified and appropriated, when available, shall be  
77 immediately paid to the system and deposited in the highway  
78 and transportation employees' and highway patrol retirement  
79 and benefit fund.

80 5. These amounts are funds of the year 2000 plan and  
81 shall not be commingled with any funds in the state treasury.

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