

April 2, 2009

Current economic uncertainties and its impact on the future of state employee retirement benefits was the subject of a committee hearing this morning (Apr. 2) at the state capitol.

During that meeting the Joint Committee on Public Employee Retirement agreed to send a letter to the governor requesting him to issue an executive order creating a task force to examine state retirement systems. It was suggested that a panel similar to the 1990's Commission on Management and Productivity (COMAP) be put into place.

The devaluation of investments by the various retirement systems has raised concerns about the ability to pay benefits due state retirees. It was explained at the hearing that Missouri's retirement systems have a "defined benefit" which means the state is obligated by law to pay the promised annuities. The committee expressed concern about the impact this could have on general revenue and in the case of MPERS, the impact on highway funds.

Two bills introduced this session designed to strengthen MoDOT's retirement fund (MPERS) have moved little. SB150, which would prohibit overtime income from being used in the calculation of a retirement benefit, has not had a committee hearing. A similar bill in the house, HB347, was heard in committee but has not moved further. If the economy continues to be weak, we can expect retirement issues to be a subject of growing concern in the state capitol.

Our Association lobby day and fish fry is scheduled for Apr. 15 at the capitol. This would be a good opportunity for members to visit with their local legislators about issues that could affect state workers.

**From Harry Hill, Lobbyist
Missouri Highway and Transportation Employees' Association**