

February 26, 2009

Legislation designed to encourage state employees to retire early by extending health care benefits for as long as five year after retirement has received a warm response in a house committee.

Rep. Kenny Jones has filed HB478 which would allow state workers who are eligible to retire between May 1, 2009 and Aug. 1, 2009 to receive a special incentive. Those who accept this proposed retirement option will be allowed to maintain their health care coverage at the same cost as prior to retirement. According to provisions of the bill, this state-subsidized coverage would extend for five years or when the retiree becomes eligible for Medicare, whichever occurs first. Certain state agencies, including MoDOT, are permitted but not required to offer this option to their employees.

The justification for the bill, according to Rep. Jones, is to save money for the state by reducing current payroll. Provisions of the bill would also place restrictions on how many of these vacated positions can be refilled.

Another assumption by supporters of the bill is that quite a number of state employees who are eligible to retire continue to work just for the accompanying health care benefits. Several persons who testified at the Feb. 19th committee hearing reinforced this concept, saying they could not afford to retire only if the state helped with health insurance premiums.

A similar retirement package was passed by the legislature in 2003 and offered to state workers. At that time, MoDOT did not participate in the early retirement plan, saying they did not want to encourage their valuable, experienced workers to leave.

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