

The **Association** report

from the **Capitol**

March 1, 2004

Senator Harry Kennedy and Association president Steve Cox teamed up this past week to present one of our legislative priorities, SB1216, to the Senate Pensions and General Laws Committee.

Known as the "prior service purchase option," SB1216 would allow MoDOT employees to buy, for purposes of retirement credit, up to four years work as a public employee in Missouri. This does not include prior employment as a federal employee. If a MoDOT employee chooses to buy prior credit, payments would be based on the salary of the employee when he or she was initially employed by the department. The bill would allow the employee up to two years to make the payments for the prior service option.

Offering the prior service option is a benefit to our employees but it is also a matter of equity among state workers. Sen. Kennedy explained to the committee that in the past decade other state department workers have been offered the option to purchase prior service. In 1999, most MOSERS employees were allowed to buy non-federal public service based on the salary when they were first employed. They were followed the next year by judges and administrative law judges. In 2002, the option was extended to uniformed members of the highway patrol but was not offered to other members of the Highway Employees and Highway Patrol Retirement System because of a perceived high cost.

Proponents of SB1216 cited equal protection law suits in the late 1990's that cost the state millions of dollars because comparable benefits had not been offered to all employees in the various state departments. Legislative bill analysts said there would be some cost to the MoDOT retirement system if SB1216 were to be enacted. However the cost would not be so significant as to require an actuarial cost statement.

Steve Cox followed Sen. Kennedy's explanation of the proposal by urging the committee to move the bill forward. "This is simply an issue of equity among state employees. It's fairness for our workers by giving them the same opportunities that others have," Mr. Cox said.

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