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For Immediate release;

Jefferson City - It took a decade to get it jump-started again, but a popular state employee savings plan has been dusted off and re-energized by the Missouri general assembly.

The deferred compensation program with a state matching contribution was established in 1994 to encourage individual saving. Under the plan, the state would contribute as much as \$25 a month for each employee who would deposit a like amount. The maximum contribution by the state was raised to \$75 a month with legislation passed in 1998. That increase, nor any part of it, was ever funded.

"This has been a popular benefit for our employees," said Rep. Ray Salva. "It's a good idea too - to encourage saving. But the legislature let the funding slide over the years."

Rep. Salva was an early advocate of the deferred comp expansion. Beginning in January, the Sugar Creek legislator was a persistent voice in the House Appropriation Committee for General Administration.

"Our 60,000 state employees are too often underpaid and overlooked," Rep. Salva said. "This has been a strong bi-partisan effort to do something right for our workers."

During the final appropriations hearings, several influential legislators indicated support for future increases in deferred comp funding. Still other legislators insisted the state should step up efforts to inform employees of the availability and advantages of participating in the plan.

Currently more than 62% of eligible state workers participate in the deferred compensation plan. Long-time observers at the capitol say that worker participation was more than 70% at one time. However there is speculation that interest in the benefit has waned among employees because of a perception that the state had not lived up to its intention to systematically expand the program.

Mark O'Dowd, President of the Transportation Employees' Association of Missouri (TEAM) said he is delighted the legislature is showing renewed interest in deferred compensation.

"Our members really appreciate and take advantage of the deferred comp," Mr. O'Dowd said. "This was our top priority for the '08 session. We had asked that it be raised to the \$75 maximum. But even a small increase and the promise that it will be bumped up regularly is certainly encouraging."

Expansion of the deferred compensation plan is to become effective on July 1, 2008, the beginning of the state's fiscal year. The benefit increase is part of HB2005, an appropriations bill that traditionally is signed by the governor before the start of the new fiscal year. The governor has until July 14 to sign non-appropriations bills.