

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 1401

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Section A. Sections 104.436 and 104.1066, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 104.436 and 104.1066, to read as follows:

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

2. At least ninety days before each regular session of the general assembly, the board shall certify to the division of budget the contribution rate necessary to cover the liabilities of the plan administered by the system, including costs of administration, expected to accrue during the next appropriation period. The commissioner of administration shall request appropriation of the amount calculated pursuant to the provisions of this subsection. Beginning August 28, 2024, in the event the board certifies a contribution rate that exceeds twenty-eight and three-

quarters percent, the commissioner of administration shall include in his or her appropriation request an amount equal to the difference between the greater contribution rate and twenty-eight and three-quarters percent of compensation for the members of Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Southwest Missouri State University, State Technical College of Missouri, Truman State University, and University of Central Missouri. Following each pay period, the commissioner of administration shall requisition and certify the payment to the executive director of the Missouri state employees' retirement system. The executive director shall promptly deposit the amounts certified to the credit of the Missouri state employees' retirement fund.

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

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

104.1066. 1. The year 2000 plan intends to follow a financing pattern which computes and requires contribution amounts which, expressed as percents of active member payroll, will remain approximately level from year to year and from one generation of citizens to the next generation.

Such contribution determinations require regular actuarial valuations, which shall be made by the board's actuary, using assumptions and methods adopted by the board after consulting with its actuary. The entry age-normal cost valuation method shall be used in determining the normal cost calculation. For purposes of this subsection and section 104.436, the actuary shall determine a single contribution rate applicable to both closed plan and year 2000 plan participants and, in determining such rate, make estimates of the probabilities of closed plan participants transferring to the year 2000 plan.

2. At least ninety days before each regular session of the general assembly, the board of the Missouri state employees' retirement system shall certify to the division of budget the contribution rate necessary to cover the liabilities of the year 2000 plan administered by such system, including costs of administration, expected to accrue during the next appropriation period. The commissioner of administration shall request appropriations based upon the contribution rate so certified. Beginning August 28, 2024, in the event the board certifies a contribution rate that exceeds twenty-eight and three-quarters percent, the commissioner of administration shall include in his or her appropriation request an amount equal to the difference between the greater contribution rate and twenty-eight and three-quarters percent of compensation for the members of Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Southwest Missouri State University, State Technical College of Missouri, Truman State University, and University of Central Missouri. From appropriations so

made, the commissioner of administration shall certify contribution amounts to the state treasurer who in turn shall immediately pay the contributions to the year 2000 plan.

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

4. At least ninety days before each regular session of the general assembly, the board of the transportation department and highway patrol retirement system shall certify to the department of transportation and the department of public safety the contribution rate necessary to cover the liabilities of the year 2000 plan administered by such system, including costs of administration, expected

to accrue during the next biennial or other appropriation period. Each department shall include in its budget and in its request for appropriations for personal service the sum so certified to it by such board, and shall present the same to the general assembly for allowance. The sums so certified and appropriated, when available, shall be immediately paid to the system and deposited in the highway and transportation employees' and highway patrol retirement and benefit fund.

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