

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT  
First Quarter Meeting  
January 19, 2022

The Joint Committee on Public Employee Retirement (JCPER) met on Wednesday, January 19, 2022 at 9:00am in the Joint Committee Room (Room 117) in the State Capitol. Chair Pike called the meeting to order.

The first item on the agenda was roll call. JCPER members in attendance were: Representatives Bosley, Paula Brown (70), Richard Brown (27), Hovis, Pike, and Reedy and Senators Bernskoetter, Koenig, and Moon. The following members were not present: Senators Rizzo, Williams and Beck. A quorum was established.

Following roll call, the Chair turned the meeting over to Michael Ruff, Executive Director, to present the JCPER's 2022 annual report for plan year 2020. The JCPER surveyed 127 public pension plans. The Director noted that for defined benefit plans, the plan year 2020 aggregate plan liabilities equaled approximately \$102 billion, actuarial value of assets equaled \$81.61 billion, and market value of assets equaled \$79.41 billion. The number of active members decreased from plan year 2019 while the number of inactive members increased from plan year 2019. The number of inactive members continued to exceed the number of actives. Overall investment revenue for 2020 was positive but not as high as in plan years 2017, 2018, and 2019. The Director discussed how some plans have adjusted their actuarial assumptions, including lowering their assumed rate of return for investments and updating mortality tables. A few plan sponsors made changes to their pension plans throughout the year.

The JCPER moved to the Legislative Update agenda item. The Director pointed the JCPER to the legislative tracking sheet in the committee packet and noted four bills relating to the LAGERS retirement system. In addition, multiple bills have been filed to modify the working after retirement statutes for the retired members of PSRS/PEERS. Two other bills would reenact the 2.55 multiplier for PSRS members retiring with 32 or more years of service. Additional bills would modify MOSERS and MPERS statutes and establish a new terminated vested buyout program. Another bill would establish a new funding mechanism for the Sheriffs' Retirement System. Finally, the Director referred to several bills that are drafted to apply to "public entities" or "government entities" that might impact public retirement plans or the JCPER.

The next agenda item was procurement action plans under Sections 104.621, 105.702, and 169.573, RSMo. The JCPER reviewed the procurement action plan for the Sheriffs' Retirement System and MOSERS. The Director explained that the City of Glendale's finance director had contacted him by phone. The City transferred the police and fire plan to Missouri LAGERS as a legacy plan, no longer operates

the plan, and therefore, will not be preparing a procurement action plan in the future; LAGERS generally provides an annual report to the JCPER in the Spring.

The final order of business was Comments of the Chair. Chair Pike stated that this was the Executive Director's final day with the JCPER. She thanked him for his work for the JCPER; the Director commented and thanked the JCPER. Chair Pike introduced the incoming Executive Director, Mr. Dean Dohrman, and welcomed him. Mr. Dohrman introduced himself. The Chair stated that the JCPER second quarter meeting would be held sometime in late April or early May.

With no further business to be presented, the committee adjourned.



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Michael Ruff  
Executive Director

# **JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT**

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**1st QUARTER MEETING**

**January 19, 2022**

**9am— Joint Committee Room (Room 117), State Capitol**

## **AGENDA**

**Roll Call**

**Presentation of the 2022 JCPER Annual Report for Plan Year 2020**

**Legislative Update**

**Procurement Action Plans, Section 104.621, 105.702, 169.573,  
RSMo**

**Comments of the Chair**



2022 RETIREMENT LEGISLATION - Senate

SENATE BILLS			SENATE ACTION						HOUSE ACTION				OTHER ACTION	
Bill Number	System Affected	Description	Sponsor	Committee Assigned	Date/Time Hearing Rm	Committee Action	Perfected	Passed 3rd Read	Committee Assigned	Date/Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Gov Action
<a href="#">SB 634</a>	LAGERS	Repeals the prohibition on counties other than third class counties and Cape Girardeau County from being able to elect to cover emergency telecommunicators, jailors, and emergency medical service personnel as public safety members.	Riddle	Health and Pensions										
<a href="#">SB 655</a>	LAGERS	Repeals the prohibition on counties other than third class counties and Cape Girardeau County from being able to elect to cover emergency telecommunicators, jailors, and emergency medical service personnel as public safety members.	Crawford	Health and Pensions										
<a href="#">SB 712</a>	PSRS & PEERS	Creates a pop-up provision for members who elected a reduced retirement allowance with a same-sex domestic partner as the nominated beneficiary on or before September 1, 2015.	Razer	Health and Pensions										
<a href="#">SB 767</a>	PSRS	Relating to elementary and secondary education. Makes technical changes to a provision of law relating to survivor benefits of the Public School Retirement System.	O'Laughlin	Health and Pensions										
<a href="#">SB 773</a>		Excludes certain retirement accounts from the determination of eligibility under the Ticket to Work Health Assurance Program.	Williams	Seniors, Families, Veterans & Military Affairs										
<a href="#">SB 836</a>	All Public Defined Benefit Plans	Modifies eligibility of retirement benefits resulting from membership in multiple defined benefit plans established by a state or local retirement system.	O'Laughlin											

<a href="#">SB 859</a>	Police Protection Districts	Authorizes the establishment of police protection districts. A PPD's board of directors may provide for pension, and retirement and other employee-type fringe-benefits. If a board of directors administers its own retirement or benefits-related plan, it must do so by a separate five-member pension board of trustees.	Mosley											
<a href="#">SB 871</a>	All Plans	Modifies provisions relating to income tax exemptions for certain retirement benefits.	Eigel											
<a href="#">SB 926</a>	All Public Plans	Modifies provisions relating to ethics. Modifies the pension forfeiture law. Prohibits a participant of a plan who is unfit for elected public office or employed with the state or any local government from being eligible to receive any retirement benefit from the plan.	Mosley											
<a href="#">SB 999</a>	PSRS & PEERS	Modifies provisions relating to teacher employment. Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit when a district has declared a teacher/employee critical shortage. Repeals the prohibition on retired members being employed as a superintendent under critical shortage.	Gannon											
<a href="#">SB 1036</a>	Sheriffs	Modifies the compensation of County Sheriffs	Moon											
<a href="#">SB 1048</a>	All Public Plans	Prohibits public entities from entering into certain contracts with companies unless the contract includes a written certification that the company is not engaged in certain activities that discriminate against a firearm entity or firearm trade association.	Brattin											

<a href="#">SB 1053</a>	MPERS	Modifies the terms of the elected members of the MoDOT and Highway Patrol Employees' Retirement System board of trustees.	Bernskoetter											
<a href="#">SB 1054</a>	Sheriffs'	Establishes a new funding mechanism for the Sheriffs' Retirement System.	Bernskoetter											
<a href="#">SB 1062</a>	MOSERS and MPERS	Requires the MOSERS and MPERS boards of trustees to establish a buy-out program for terminated vested members by January 1, 2023. Such members may make a one-time election to receive a lump sum payment equal to sixty percent of the present value of their deferred annuity, or a greater percentage, if determined by the board.	Crawford											

2022 REGULAR SESSION - HOUSE

HOUSE BILLS			HOUSE ACTION						SENATE ACTION				OTHER ACTION	
Bill Number	System Affected	Description	Sponsor	Committee Assigned	Date/Time Hearing Rm	Committee Action	Perfectd	Passed 3rd Read	Committee Assigned	Date/Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Gov Action
<a href="#">HB 1473</a>	LAGERS	Repeals the prohibition on counties other than third class counties and Cape Girardeau County from being able to elect to cover emergency telecommunicators, jailors, and emergency medical service personnel as public safety members.	Pike	Pensions	Hearing Conducted 1/12/2022 Executive Session Scheduled 1/19/2022 JHR 117 8:30 am									
<a href="#">HB 1476</a>	St. Louis Police Retirement System	Transfers control of the City of St. Louis Police Department to the Board of Police Commissioners. Modifies the composition of the retirement system's board of trustees.	Schroer											
<a href="#">HB1506</a>	CERF	Authorizes a waiver for certain penalties for late payment of property taxes.	Ellebracht											
<a href="#">HB1564</a>	Blind Pension Fund	Modifies the mailing requirements for the Blind Pension Fund.	Griffith											
<a href="#">HB1615</a>	Public pension plans sponsored by political subdivisions	Provides that members of the General Assembly are ex officio members of all boards, commissions, committees, councils and other legislative or regulatory bodies of all political subdivisions within the boundaries of a member's legislative district.	Lovasco											
<a href="#">HB1670</a>	Certain Government Entities	Creates a provision that prohibits certain government entities from doing business with entities that require individuals to undergo COVID-19 vaccinations or provide proof of COVID-19 vaccination.	Seitz	Judiciary										
<a href="#">HB1676</a>	LAGERS	Changes the job title of "emergency telecommunicators" to "emergency telecommunicator first responders."	Perkins											
<a href="#">HB1691</a>	Public pension plans sponsored by certain political subdivisions as defined by the act	Prohibits the state and certain political subdivisions from entering into a contract with an employer or company that engages in discrimination against unvaccinated, as described in the act.	Boggs	Judiciary										
<a href="#">HB1732</a>	Private Entities	Establishes the Missouri Workplace Retirement Savings Plan that private business entities may join.	O'Donnell	Financial Institutions	Hearing Conducted 1/12/2022									
<a href="#">HB1831</a>	St. Louis PSRS	Provides a one time supplemental payment for retired members and beneficiaries of the St. Louis PSRS, subject to state appropriations.	Gray											



<a href="#">HB1881</a>	PSRS and PEERS	Modifies the working after retirement critical shortage law for PSRS and PEERS. Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit when a district has declared a teacher/employee critical shortage.	Black (7)											
<a href="#">HB1886</a>	LAGERS	Repeals the prohibition on counties other than third class counties and Cape Girardeau County from being able to elect to cover emergency telecommunicators, jailors, and emergency medical service personnel as public safety members.	Rogers											
<a href="#">HB1925</a>	Blind Pension Fund	Modifies the mailing requirements for the Blind Pension Fund.	Walsh Moore (93)											
<a href="#">HB1927</a>		Excludes certain retirement accounts from the determination of eligibility under the Ticket to Work Health Assurance Program.	Walsh Moore (93)											
<a href="#">HB1984</a>	MPERS	Modifies the terms of the elected members of the MoDOT and Highway Patrol Employees' Retirement System board of trustees.	Hovis											
<a href="#">HB1998</a>	PSRS, PEERS, Kansas City PSRS and St. Louis PSRS	Allows school districts to issue school district teaching permits for persons without a certificate of license to teach granted by the State Board Of Education.	Davidson											
<a href="#">HB2057</a>	LAGERS	Changes the job title of "emergency telecommunicators" to "telecommunicator first responders."	Sauls											
<a href="#">HB2089</a>	PSRS and PEERS	Modifies provisions relating to teacher employment. Modifies the working after retirement critical shortage law for PSRS and PEERS. Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit when a district has declared a teacher/employee critical shortage. Repeals the prohibition on retired members being employed as a superintendent under critical shortage.	Pollitt											

<a href="#">HB2114</a>	PSRS & PEERS	<b>169.560:</b> Modifies the amount of compensation that a retired PSRS member may earn without a discontinuance of the member's retirement benefit while working after retirement in a position that does not require teacher certification. Instead of compensation being limited to sixty percent of the minimum teacher's salary, allowable compensation will be limited to the annual earnings limit applicable to a Social Security recipient working while receiving Social Security benefits. <b>169.596:</b> Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit when a school district has declared a teacher/employee	Black (7)											
<a href="#">HB2161</a>	PSRS	Reauthorizes the 2.55 multiplier for teachers retiring with 32 or more years of service.	Dinkins											
<a href="#">HB2194</a>	PSRS & PEERS	Modifies the amount of compensation that a retired PSRS member may earn without a discontinuance of the member's retirement benefit while working after retirement in a position that does not require teacher certification. Instead of compensation being limited to sixty percent of the minimum teacher's salary, allowable compensation will be sixty percent of the average teacher's salary for the primary district the person is employed in after retirement.	Kelley (127)											
<a href="#">HB2216</a>	PSRS & PEERS	Modifies the amount of compensation that a retired PSRS member may earn without a discontinuance of the member's retirement benefit while working after retirement in a position that does not require teacher certification. Instead of compensation being limited to sixty percent of the minimum teacher's salary, allowable compensation will be sixty percent of the average teacher's salary for the primary district the person is employed in after retirement.	Bromley											
<a href="#">HB2234</a>	MOSERS, MPERS, Judicial Retirement System	Modifies multiple provisions for MOSERS, MPERS and the Judicial Retirement System.	Black (7)											
<a href="#">HB2235</a>	MOSERS and MPERS	Requires the MOSERS and MPERS boards of trustees to establish a buy-out program for terminated vested members by January 1, 2023. Such members may make a one-time election to receive a lump sum payment equal to sixty percent of the present value of their deferred annuity, or a greater percentage, if determined by the board.	Black (7)											

<a href="#">HB2236</a>	MOSERS and MPERS	Allows a retired member of MOSERS or MPERS who returns to employment and subsequently marries to elect a joint and survivor option benefit plan upon re-entry into retirement if the member was not eligible for a joint and survivor option benefit plan at the original retirement date.	Black (7)											
<a href="#">HB2245</a>	MPERS	Permits uniformed members of the Highway Patrol who are members of the 2011 Tier to be eligible for BackDROP.	Copeland											
<a href="#">HB2352</a>	St. Louis PSRS	Provides a one time supplemental payment for retired members and beneficiaries of the St. Louis PSRS, subject to state appropriations.	Anderson											
<a href="#">HB2430</a>	PSRS	Reauthorizes the 2.55 multiplier for teachers retiring with 32 or more years of service.	Black (7)											
<a href="#">HB2432</a>	St. Louis Police Retirement System	Transfers control of the City of St. Louis Police Department to the Board of Police Commissioners. Modifies the composition of the retirement system's board of trustees.	Roden											

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# Central Bank

January 6, 2022

Jeff Padgett, Executive Director  
MO Sheriffs' Retirement System  
1739 Elm Court  
Suite 202  
Jefferson City, MO 65101

Mr. Padgett,

We are reporting to the Board of the Missouri Sheriffs' Retirement System to satisfy compliance to Section 105.702, RSMo and the Joint Committee on Public Employee Retirement (JCPER).

In June 2021, we suggested some minor changes to the Investment Policy, which were approved by the System Board in June. These changes included a small allocation change to Global stocks and adding ETF's as an allocation to Large Capitalized Stocks.

Our approach to investment management for the System is to allocate investments to individual fixed income as well as utilizing mutual funds and ETF's for equity holdings. We do not allocate any System funds to Separately Managed Accounts.

As part of review and surveillance of our Fund Holdings, we have not found any minority-owned or women-owned Funds that meet our criteria screenings. Recent research suggest that less than 10% of Asset Managers are either minority-owned or women-owned. Of these firms, the majority are in the Separately Managed Account universe, and these vehicles are not part of the System Investment Policy.

Sincerely,

*Joanne Schepelerle*

Joanne Schepelerle, CFP®  
Vice President

*PO Box 779, 238 Madison Street  
Jefferson City, MO 65101*

January 5, 2022

Missouri Minority Business Advocacy Commission  
P.O. Box 809  
Jefferson City, MO 65102  
and  
Joint Committee on Public Employee Retirement  
Missouri State Capitol Building, Room 219-A  
Jefferson City, MO 65101

Dear Sir/Madam:

Pursuant to Sections 104.621 and 105.702, RSMo, I am enclosing MOSERS' 2021 annual report concerning the affirmative action policy and procurement action plan for the utilization of minority and women money managers, brokers, and investment counselors.

If you have any questions, please feel free to contact me.

Sincerely,



Ronda Stegmann  
Executive Director

Enclosure

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# 2021 ANNUAL REPORT

*of the*  
**Missouri State Employees' Retirement System**  
*on*  
**Minority- and Women-Owned Investment Firms**

*Submitted to*  
**The Governor's Minority Advocacy Commission**  
*&*  
**The Joint Committee on Public Employee Retirement**

Sections 104.621 and 105.702, RSMo, require the Board of the Missouri State Employees' Retirement System (MOSERS) to annually report the progress made in the area of utilization of minority and women money managers, brokers, and investment counselors. Those same statutes require MOSERS to present its report to the Governor's Minority Advocacy Commission and the Joint Committee on Public Employee Retirement. This document satisfies this requirement.

**E**stablished in 1957, MOSERS administers the retirement, life insurance, and long-term disability benefits for most state employees, including members of the Missouri General Assembly, elected state officials, judges, and administrative law judges and legal advisors. Responsibility for the operation and administration of MOSERS is vested in an eleven-member board of trustees. MOSERS is committed to diversity and to supporting a greater role for women and minorities in the investment management sector. MOSERS carries out this commitment by doing two things.

First, MOSERS monitors our current

roster of investment managers' engagement with women and minority investment professionals. Through its collection of yearly data on the firms' emerging-manager population, MOSERS ensures that it continues to contract only with investment managers who take seriously the need to be as inclusive as possible.

Second, MOSERS is always seeking to connect with promising investment managers owned or operated predominantly by women or minorities. If MOSERS sees a potential for a fiscally responsible partnership with an emerging manager, we will discuss with the firm and its personnel how such a partnership might develop.

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## Outreach & Inclusion in MOSERS's Roster of Managers

MOSERS expresses its commitment to diversity at the very outset of our relationship with a manager. When hiring a manager, MOSERS asks about the firm's efforts at diversity and outreach.

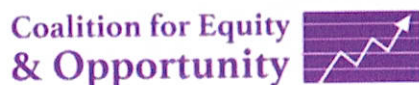
Of course, all of MOSERS's managers are equal opportunity employers. This year's review shows that our partners continue to staff high-level positions with people of color, women, and those with disabilities. Our investment partners' diversity data show that minority and women employees still remain between 35 to 70% of total employees. The survey data continue to reveal that women and minorities at our partner firms hold positions across the senior management continuum, from partner to chief operating officer, vice president, portfolio manager, and general counsel. Citing the events in the U.S. during May and June of this year, one of our larger

partners has created departments with full-time staff dedicated to the firms' outreach and diversity efforts.

To ensure our managers are providing opportunities to emerging managers, MOSERS requires its U.S.-based investment advisers to annually submit information on the firm's efforts in recruiting and hiring minorities and women. This year's review shows that MOSERS's managers continue their strong efforts in working with universities, associations, and organizations advancing emerging managers. For instance, several stated that they partner with the following organizations or groups accelerating inclusion in the financial services industry.

- ❖ *Girls Who Invest*, a relatively recently formed organization dedicated to increasing the number of women in portfolio management and executive leadership in the asset management industry.
- ❖ *Management Leadership for Tomorrow* provides training, support, and recruitment to

### Some of Our Managers' Partners in Increasing Diversity & Inclusion



Black, Hispanic, and Native American individuals in the financial services industry.

- ❖ ***Private Equity Women Investor Network*** (PEWIN) brings together senior women general partners, limited partners, and private-equity professionals to network, share investment ideas, explore potential opportunities to work together, and generally increase the profile of female leaders in the industry.
- ❖ ***The New America Alliance*** advocates for the economic advancement of the Hispanic community while also providing education, strategic collaboration, philanthropy, and public-policy advocacy.
- ❖ ***Disability:IN***, the leading nonprofit resource for business disability inclusion worldwide.
- ❖ ***The Coalition for Equity & Opportunity*** is a partnership between the Connecticut Office of the Treasurer and the Ford Foundation to convene a coalition of CEOs representing multi-billion dollar industries to advance racial and economic security and opportunity both within and outside of their companies.

And, as noted in previous reports, many of MOSERS's managers continue to recruit directly from women's and historically black colleges, such as Spelman College and Morehouse College. And, at least one of our managers considers diversity in its supply relationships, preferring to consider suppliers who have been certified by the National Minority Supplier Development Council, the Women's Business Enterprise National Council, the National Gay & Lesbian Chamber of Commerce, and Disability:IN.

Finally, MOSERS also asks its managers to list minorities or women who have a partnership or equity interest in their firm and whether they in total have a more-than-50% ownership interest. Several of our firms reported that women and minorities have significant ownership stakes. These ranged from being partners in the firm, owning undisclosed equity in the firm, being compensated in stock units, or participating in profit sharing. Only one of the firms reported having minority or women ownership in excess of 50%, while another firm reported being 50% owned by a person qualifying as a member of a minority group.

## MOSERS's Access to Emerging Managers

Additionally, MOSERS has assured that emerging managers have at least two ways to introduce themselves to us. First, MOSERS's website provides a "Contact Us" section for investment firms to market themselves and their strategy to MOSERS' investment staff. In FY2021, twelve firms contacted MOSERS through that website, self-reporting as being materially owned by minorities or women. (This is up from the five last year, which we accounted to the impact of the COVID pandemic.) Several of those firms chose the following designation "at or over 51% ownership:" one women owned firm, one identifying as African-American, and three as Asian.

Second, when possible, MOSERS or its specialty consultants meet with emerging managers. Here too, 2021's lingering COVID pandemic has severely limited these opportunities.