



Presentation to House Pensions Committee



Prepared by the
Joint Committee on Public Employee Retirement (JCPER)
April 30, 2019

JCPER Membership

- Six Representatives and Six Senators;
- Bipartisan. No more than three members of any political party from each chamber.



Senator
Bernskoetter



Rep. Paula
Brown



Rep. Richard
Brown



Senator Koenig
(Vice Chair)



Rep. Pike
(Chair)



Senator Rizzo



Rep. Runions



Rep. Shull



Senator
Wallingford



Senator Gina
Walsh



Rep. Sara
Walsh



Senator
Williams

JCPER Background

JCPER established in 1983 in Missouri state statute:

21.553. Joint committee on public retirement established — membership — terms. — 1. There is established a permanent joint committee of the general assembly to be known as the "Joint Committee on Public Employee Retirement" to be comprised of six members of the senate and six members of the house of representatives. The senate members shall be appointed by the president pro tem of the senate and the house members shall be appointed by the speaker of the house. The appointment of members shall continue during their term of office as members of the general assembly or until a successor has been duly appointed to fill their place when their term of office as members of the general assembly has expired.

2. No political party shall be represented on the committee by more than three members from the senate nor by more than three members from the house.

(L. 1983 S.B. 393 § 1)

21.561. Retirement systems, state and local to cooperate. — 1. All state and local public employee retirement systems shall cooperate with and assist the committee in the performance of its duties and shall make available all books, records and information requested.

2. If any state or local public employee retirement system does not comply with the committee's request for books, records, or information, or does not cooperate and assist the committee as provided in subsection 1 of this section, then the committee may request the staff or board members of any state or local public employee retirement system to testify before the committee regarding noncompliance with this section.

3. The committee may subpoena witnesses, take testimony under oath, and compel the production of records.

(L. 1983 S.B. 393 § 5, A.L. 2014 H.B. 1882)

JCPER Background (Continued)

- Established in response to concerns addressed by the State Auditor (James Antonio);
- 22 other states had previously established a similar public pension commission;
- Lack of reporting and monitoring of public pension plans prevented public disclosure of current or future projected stability of public pension plans.

JCPER Duties:

- Perform a continuing study and analysis of Missouri's state and local government retirement systems;
- Devise a standard reporting system to obtain data on each retirement system at least biennially;
- Determine from its study and analysis the need for changes in statutory law;
- Recommendations to the General Assembly and local political subdivisions;
- Annual Report to the General Assembly;

Filing and Retention of Actuarial Cost Statements

- An actuarial cost statement must be prepared when proposed changes to a pension plan would result in a “substantial proposed change.”
- Section 105.665 mandates the information that must be included in an actuarial cost statement.

(10) "Substantial proposed change", a proposed change in future plan benefits which would increase or decrease the total contribution percent by at least one-quarter of one percent of active employee payroll, or would increase or decrease a plan benefit by five percent or more, or would materially affect the actuarial soundness of the plan. In testing for such one-quarter of one percent of payroll contribution increase, the proposed change in plan benefits shall be added to all actual changes in plan benefits since the last date that an actuarial valuation was prepared. The closing or freezing of a current defined benefit plan is considered a substantial proposed change only for the purposes of sections 105.665, 105.670, 105.675, and 105.685.

.....
(L. 1979 H.B. 130 § 1, A.L. 2007 S.B. 406, A.L. 2014 H.B. 1882)

Actuarial Cost Statements: Filing and Timing Relating to the General Assembly

105.670. Cost statement available for inspection — effect of changes (general assembly). — When the general assembly is the legislative body responsible for authorizing a substantial proposed change in plan benefits, **a prepared statement regarding the cost of such change shall be made available for its consideration prior to taking final action. Such statement of cost shall be prepared in accordance with section [105.665](#) and shall be available as public information for at least five legislative days before third reading and passage by either the house of representatives or the senate.** The speaker or president pro tem may refer such bill for reconsideration upon receipt of the actuary statement to the committee to which the bill was originally referred. The bill shall retain its place on the calendar as though it had not been recalled. The committee shall report the bill to the house or senate, respectively, within seven calendar days with its recommendations. If any additional substantial proposed change, as defined in subdivision (10) of section [105.660](#), in cost or benefits is made by either the house of representatives or the senate or committee thereof, the actuary making the original cost statement shall amend the statement to reflect the additional features prior to the proposal being truly agreed to and finally passed. The plan shall make available to the actuary such information as is necessary to prepare such actuarial statement. **The statement of cost shall be filed with the chief clerk of the Missouri house of representatives, the secretary of the senate, and with the joint committee on public employee retirement.**

(L. 1979 H.B. 130 § 3, A.L. 1985 H.B. 695, A.L. 1987 H.B. 713, A.L. 1989 H.B. 674, A.L. 1996 H.B. 1355, A.L. 2014 H.B. 1882)

Filing and Retention of Actuarial Cost Statements: Local Political Subdivisions

105.675. Cost statement available for inspection (political subdivisions). — When a political subdivision or instrumentality of the state is the legislative body responsible for making a substantial proposed change in benefits, a prepared statement regarding the cost of such change shall be prepared in accordance with section [105.665](#) and shall be made available for its consideration. **Such statement of cost shall be available as public information for at least forty-five calendar days before the legislative body can take final action to adopt the substantial proposed change in benefits.** The statement of cost required by this section shall be filed in the office of the clerk, secretary or other individual responsible for keeping the official records of the legislative body, and **with the joint committee on public employee retirement.**

(L. 1979 H.B. 130 § 4, A.L. 1985 H.B. 695, A.L. 1996 H.B. 1355)

Information Requested for JCPER Annual Survey of Public Pension Plans

- General information;
- Benefits information;
- Contributions & vesting;
- Financial, including Comprehensive Annual Financial Report and investments;
- Actuarial, including actuarial valuation performed at least biennially and experience study;
- Fee information;
- Supporting documentation.

Other JCPER Functions

- Conduct at least one public meeting each quarter;
- Assist the General Assembly with legislation;
- Prepare fiscal impact responses for pension legislation;
- Constituent assistance;
- Weekly legislation tracking sheet during session;
- Receive procurement action plans for the utilization of minority and women money managers, brokers, and investment counselors;
- Receive quarterly investment reporting from defined benefit plans;
- Preparation of the annual Watch List.

JCPER Watch List

- Criterion used for watch list: Any defined benefit plan having a funded ratio below 70% on a market value basis;
- Established by the JCPER, not by state statute;
- Presented annually at the fourth quarter meeting;
- Plans are notified and invited to comment;
- Factors looked at include: actuarially determined contribution, benefit levels, funding sources, investment returns.

Delinquent Plan Provision

- Different from the JCPER Watch List;
- Established in state law in 2007 as RSMo 105.683;
- A plan that meets these criteria is deemed delinquent:
 - Funded ratio of less than 60% on an actuarial basis;
 - Failure to make 100% of the required contributions for five successive plan years; and
 - The plan has a descending funded ratio for five successive plan years.

Delinquent Plan Provision Statute

105.683. Plan deemed delinquent, when, effect of. — Any plan, other than a plan created under sections [169.010 to 169.141](#) or sections [169.600 to 169.715](#), whose actuary determines that the plan has a funded ratio below sixty percent and the political subdivision has failed to make one hundred percent of the actuarially required contribution payment for five successive plan years with a descending funded ratio for five successive plan years, shall be deemed delinquent in the contribution payment and such delinquency in the contribution payment shall constitute a first lien on the funds of the political subdivision, and the board as defined under section [105.660](#) is authorized to compel payment by application for a writ of mandamus; and in addition, such delinquency in the contribution payment shall be certified by the board to the state treasurer and director of the department of revenue. Until such delinquency in the contribution payment, together with regular interest, is satisfied, the state treasurer and director of the department of revenue shall withhold twenty-five percent of the certified contribution deficiency from the total moneys due the political subdivision from the state.

(L. 2007 S.B. 406, A.L. 2014 H.B. 1882)

Statutory Pension Plans

- College and University Retirement Plan (Chapter 104);
 - County Employees' Retirement Fund (Chapter 50);
 - Judicial Retirement System (Chapter 476)
- Kansas City Civilian Police Retirement System (Chapter 86);
 - Kansas City Police Retirement System (Chapter 86);
- Kansas City Public School Retirement System (Chapter 169);
- Local Government Employees' Retirement System (Chapter 70);
 - Missouri State Employees' Retirement System (Chapter 104);
- MoDOT & Highway Patrol Employees' Retirement System (Chapter 104);

- Prosecuting Attorneys' & Circuit Attorneys' Retirement System (Chapter 56);
- Public Education Employees' Retirement System (Chapter 169);
- Public School Retirement System of Missouri (Chapter 169);
 - Sheriffs' Retirement System (Chapter 57);
 - St. Louis Firemen's Retirement System (Chapter 87);
 - St. Louis Police Retirement System (Chapter 86);
- St. Louis Public School Retirement System (Chapter 169)

<https://jcper.org/>

Joint Committee on Public Employee Retirement

Missouri General Assembly

Search...

Search

Actuarial Cost Statements ▾

Annual Reports

Annual Watch List

Legislative Information ▾

PERS Directory

Quarterly Meetings

The Committee

In response to the growing concern about the fiscal integrity of Missouri's public employee retirement systems (PERS) in 1983 the First Regular Session of the 82nd General Assembly passed legislation creating a permanent pension review and oversight body, the Joint Committee on Public Employee Retirement (JCPER). Prior to the creation of the committee there was no one place where information concerning these plans was gathered, analyzed and recorded. The committee consists of six senators appointed by the President Pro Tem of the Senate and six members of the House of Representatives, appointed by the Speaker of the House. The JCPER governing statutes require that the committee shall:

Make a continuing study and analysis of all state and local government retirement systems and report annually to the General Assembly;

Devise a standard reporting system to obtain data on each public employee retirement system that will provide information on each system's financial and actuarial status at least biennially;

Determine from its study and analysis the need for changes in statutory law;

Make any other recommendations to the General Assembly necessary to provide adequate retirement benefits to state and local government employees within the ability of taxpayers to support their future costs.

AMENDED – Second Quarter 2019 Meeting Notice

Second Quarter 2019 Meeting Agenda



**QUARTERLY
REPORT
ANNUAL
REPORTING**

(USERNAME AND PASSWORD REQUIRED)

Contact Information

Address:

Missouri State Capitol Building
Room 219-A
Jefferson City, MO 65101

Phone: 573-751-1280

Fax: 573-526-6459

Contact JCPER

Contact Information

Joint Committee on Public Employee Retirement

State Capitol, Room 219-A

Jefferson City, MO 65101

Phone: 573-751-1280

Fax: 573-526-6459

<https://jcper.org/>

Michael Ruff, Executive Director

Robert A. Coleman, Pension Analyst

Tanya Pleus, Part-Time AA