

MISSOURI COMMISSION ON TOTAL COMPENSATION

JUNE 5, 2003

GOVERNOR OFFICE BUILDING, ROOM 315

10:00 a.m.

Members in attendance: Chair Steve Mahfood, David Downs, Carol Fischer, Norm Robinson, Johnny See, Bill Shaw and Jackie White. Members absent were: Senator Wayne Goode, Representative Amber Boykins, Representative B.J. Marsh, Ron Meyer and Karen Touzeau.

The Missouri Commission on Total Compensation was called to order by Chair Steve Mahfood at 10:15 a.m.

Approval of April 23, 2003 Minutes – Steve Mahfood

A change was made to the minutes on page 2 under the heading “Report to the Governor per Executive Order”. The third sentence was revised to read, “The final report should be completed and to the Governor at the beginning of the fiscal year, which is July 1.” Originally, the sentence read “. . . at the end of the fiscal year, which is June 30”.

Chair Mahfood made a motion to approve the amended minutes. The motion was seconded by Jackie White. The Commission voted unanimously to approve the minutes with the minor change.

Subcommittee Report on Retirees Returning to Work – Norm Robinson

A report by the subcommittee was handed out. Norm thanked all those who helped with the report, especially Judy Delaney, MOSERS, who drafted the report for the subcommittee. The subcommittee met to discuss and make a recommendation to the full Commission. A consensus was reached on the following issues:

- a) Departments should determine benefit eligible positions;
- b) Retirement benefits stop if a retiree returns to work in a benefit eligible position and the individual should then accrue additional service credit and be eligible for life and medical insurance as an active employee; and
- c) The policy should be applied to all retirement plans administered by the state.

The present policy under the current law:

- a) Allows the departments to determine benefit eligible positions;
- b) Stops retirement benefits if a retiree returns to work in a benefit eligible position, and allows the retiree to accrue additional service credit and receive life and medical insurance as an active employee;

- c) Prohibits a retiree covered by MOSERS, who is employed on or after August 28, 2001, in a position covered by Highway and Transportation Employees and Highway Patrol Retirement System (HTEHPRS) from receiving benefits or additional creditable service from MOSERS in the closed plan. The current law does not apply to HTEHPRS under the closed plan; however, it does apply to HTEHPRS under the year 2000 plan.

The inconsistency is in the closed plan, which existed before the MSEP 2000 Plan. For example, if a person retires under the closed plan and receives monthly retirement benefits and then begins working full-time in another agency that individual would lose their MOSERS retirement. The inconsistency occurs when a Department of Transportation (MoDOT) active retiree returns to work for a MOSERS covered agency, that individual would receive a salary check and a retirement check.

Gaston de la Torre asked the resource staff if the department determines if the position is benefit eligible and if the position will require less than 1,000 hours.

Norm stated that the hours aren't necessarily counted, but the Department of Transportation determines if a position requires more than 1,000 hours.

Mel Fooks felt the agencies should be allowed flexibility to allow an employee to work over the 1,000 hours if they were hired thinking the position would not require more than 1,000 hours. Gaston de la Torre stated the Department of Conservation follows that logic.

It is the agencies' responsibility to monitor employees' hours.

Jackie mentioned there could be a negative perception by the public regarding an employee working 1,000 hours or more for multiple agencies.

Bill Shaw could see no reason why employees who retire from MoDOT and Highway Patrol could not be elected in a legislative position or appointed by the Governor and continue to receive their retirement benefits. Mr. Shaw stated we should not take away retirement benefits from an employee who accepts an appointed position or runs for office.

Gaston suggested that should an employee retire from MoDOT and be employed by the Governor as a department director, the individual receiving their retirement benefit should be allowed to add those years of service employed as department director to their creditable years of service.

Bill Shaw felt that a person should be able to receive the benefits from both of these positions.

Public perception was discussed by the group. Most of the group agreed that public perception must be taken into consideration.

Donna Prenger presented the public's perception of salaries paid to retirees rather than the benefits of those retirees. She feels that salaries are being scrutinized more by the public than the benefits.

Carol Fischer stated in talking to legislators, it is their perception the Commission has worked toward the philosophy that a state employee is a state employee no matter where they work. The legislature look at employees as state employees, not as MoDOT or Department of Revenue employees. If one looks at state government as being a single employer, then the state should not go down the path of allowing employees to obtain retirement benefits from a different system. If you look at the State of Missouri being separate employers, then you could have that discussion. The legislature would like to see consistency.

Carol also stated that legislators do not support bringing state employees back to work as consultants.

One of the alternatives discussed and presented by the subcommittee was that retirees not be hired under any circumstance. The consensus reached by the Commission was that this would limit the state's ability to hire quality, well-trained, part-time staff.

It was decided to continue discussion on this issue at the next meeting.

Bereavement Leave – Carol Fischer

Carol's group made a presentation to the Personnel Advisory Board (PAB). It was the same recommendation that was made to the Commission at the last meeting. The PAB took the information under advisement. The PAB did not issue a decision on the information presented. They wanted to do more research and have further discussions. There was discussion at the PAB meeting that the proposal might be taking away a benefit from some employees and that was a concern. Carol advised them the intent was to keep the proposal cost-neutral. If the PAB wanted to expand the bereavement policy to include some of the in-laws as was indicated in the presentation, that would be acceptable. The PAB may consider adding some groups to the existing policy rather than reducing days from some groups of employees. Carol will inform the Commission if the PAB makes a decision.

Legislative Update – Craig LeFebvre

Of the 42 bills being tracked, only two were truly agreed to and finally passed. SB 248 contains early retirement incentives for those state employees eligible to retire this year. Under Senate Bill 248 an employee must retire after January 1 of 2003 and prior to September 1, 2003. If an employee retires within that time period, the individual is eligible to receive health insurance at the active employee rate on the date of their retirement. This health care subsidy ends either when the retiree reaches age 65 or after 5 years, whichever occurs first.

Senate Bill 426 modifies the time state employees may receive paid leave for volunteering as a Red Cross disaster service volunteer. A state employee could be granted leave for up to one hundred twenty work hours rather than the fifteen calendar days as under current law.

Even though these are the only two that passed, it is possible other compensation issues could have been amended on other bills. Craig will provide an update at the next meeting.

Annual Report to the Governor – Gary Heimericks

A draft of the Annual Report to the Governor was given to the Commission and resource staff for review. Commission members Jackie White and Ron Meyer, as well as several staff members, Karen Stohlgren, Judy Delaney and Gary Fogelbach helped put the report together. Members and staff were asked to review the report and return comments to Gary Heimericks.

Summary of the Report

Employee compensation is still the highest priority for the Commission. Other pending issues identified in the report are retirees returning to work, employee health insurance, salary survey for Highway Patrol, and a recommendation to add representatives from the Department of Transportation and the Department of Conservation to the Commission. Bill Shaw suggested the representatives from the departments should be the Directors of the departments.

The Commission gave the approval to move forward with the report pending comments or revisions from the Commission. Comments are due by June 19, 2003.

Jackie White made motion to accept the report and Norm Robinson seconded the motion. The Commission unanimously approved.

Chair Mahfood told the group that he and Jackie White had attended the Personnel Advisory Board (PAB) Meeting in May.

It was also mentioned that Mr. Mahfood is working on getting the legislative appointments to the Commission filled.

The Commission agreed no meeting would be held in July unless there were problems with the Annual Report to the Governor. The next meeting will be scheduled the first part of August.

Meeting was adjourned at 11:45 a.m.