

January 19, 2009

A veteran state senator met with Association representatives Saturday morning in Jefferson City to discuss a proposal that already is getting the attention of some state workers. The bill, SB150, would allow only an employee's base salary to be used when calculating a retirement annuity. Current law allows overtime pay to be used in the annuity calculation.

Sen. John Griesheimer of Washington, Mo. introduced the bill on Jan. 6th. He said the legislation is an attempt to reduce costs and help stabilize and strengthen the MPERS retirement fund which has been hard hit by the recent economic downturn. Sen. Griesheimer is a member of the Missouri Department of Transportation and Highway Patrol Employees' retirement system (MPERS).

"Before the investment crisis hit, we were about 59% funded," the senator said. "We've lost \$600 million since the financial crisis. We're barely at a 50% funding rate now."

Sen. Griesheimer said he filed the bill because he is concerned that MPERS might not be able to meet future commitments to MoDOT and highway patrol retirees unless something is done to turn things around. He added that the system had struggled some in recent years but seemed to have turned things around after an investment counselor was brought on board. Much of those gains, however, has been negated by the recent economic slump.

The senator met with Association board members for about an hour. He answered questions and discussed the plight of MPERS and other options that are being considered to strengthen the fund. One of the possibilities that was mentioned was a substantial infusion of revenue into the fund - road funds from MoDOT and general revenue for the highway patrol. This option is made more difficult because of the struggling economy.

In its present form, SB150 would apply only to state workers who are members of MPERS. The senator said he intends to offer a substitute version at a committee hearing which would include MOSERS personnel too. A similar bill is expected to be introduced in the house.

**From Harry Hill, Lobbyist
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