

# The **Association** report

from the **Capitol**

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In a year where the budget seems to dominate capital conversations, legislation designed to save money is to be expected. Some of the recommendations target state employees; reducing worker salaries or cutting the number of state workers, for example. At least one of the money proposals, however, would likely be viewed as an unexpected bonus by some state employees who are at or nearing retirement age.

With legislation introduced by Representatives Chuck Gatschensberger and Caleb Jones, workers who are eligible to retire and have at least 10 years service could receive a substantial payment to leave the work force.

Titled the “2011 State Employee Retirement Incentive Program,” HB305 would pay \$1,000 a year for a maximum of 20 years service. The payments would be made in five annual installments beginning in September 2011. The sign-up window for retirement eligible workers would be Jan. 1, 2011 to Sept. 1, 2011.

The money-saving theory behind the legislation is that higher-paid veteran employees would leave the work force. The legislation would allow some of those veteran workers to be replaced with new workers who would have a considerably lower salary. Workers who retire under the incentive plan would not be allowed to return to work for the state. If the plan is implemented, it is estimated the state would save more than \$20 million each of the first three years.

The provisions in HB305 are written specifically for the MOSERS retirement plan, however it also provides the option for MoDOT to opt in. A committee hearing has not yet been scheduled for the bill.

**From Harry Hill, Lobbyist  
Transportation Employees' Association of Missouri**