

The **Association** report

from the **Capitol**

February 24, 2011

The issue of state employee deferred compensation has risen again at the Missouri capital despite legislative action last year stopping the long-standing practice of offering a matching contribution. Though it offers little to recover that which was lost in 2010, HB282 would automatically enroll new employees in the deferred comp program. The bill states that these new employees can also “opt out” of the plan at any time.

Rep. Ward Franz, sponsor of HB282, said the proposal is intended to initiate the concept of saving by those who might not be thinking about it. Rep. Franz, a veteran legislator indicated he regretted not enrolling in the saving plan when he first started work in the capitol.

“I was here three years before I found out about it (deferred comp)” he said recently.

The West Plains legislator said that oversight cost him two or three thousand dollars, based on his regular contribution and the state’s match that was available at the time.

HB282 specifies that employees hired after July 1, 2010, are automatically enrolled in the plan and a minimum of 1% of their salary is to be contributed to the deferred comp plan. Rep. Franz emphasized that these employees can opt out of the plan at the end of each month with a full refund of all pay deducted from their pay checks. The bill was voted out of the House Retirement Committee on Feb. 17 with “consent” status.

In other matters of interest, legislation has been filed in the senate which would remove President Lincoln’s birthday as a state holiday. That bill, SB285, has not had a committee hearing.

**From Harry Hill, Lobbyist
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