



Appropriations Conference Chairs

SB 7024 – State Administered Retirement Systems

SENATE OFFER 1

**Saturday, April 29, 2023
412 Knott Building**

Senate Appropriations Committee / House Appropriations Committee
Fiscal Year 2023-24
State Administered Retirement Systems - Senate Bill 7024/ House Bill 239

Line	Issue	Senate	House	Senate Offer #1
1	Sections 112.363, 121.052, 121.055, 121.071			
	Health Insurance Subsidy - Contribution Rate	Increases the monthly benefit from \$5 to \$7.50 for each year of service. Increases the employer contribution rate from 1.66% to 2.0%.		Senate
2	Section 121.021			
	Special Risk - Normal Retirement Date		Revises the definition of the term "normal retirement date" for Special Risk Class members enrolled after July 1, 2011. Changes from 30 years of service or age 60 to 25 years of service or age 55.	House
3	Section 121.053			
	Conforming Changes		Includes conforming provisions to changes made by the bill.	House
4	Section 121.091			
	DROP - Eligibility Window		Eliminates the restrictive entry window for eligible FRS members to participate in DROP for all retirement classes. Allows entry into DROP for eligible members at any age as long as years of service or age and vesting requirements are met.	House modified - effective date June 30, 2023
5	DROP - Extension of Participation Time		Extends the maximum amount of time for a qualified FRS member to participate in DROP from 60 calendar months to 96 calendar months for all classes.	House modified - effective date June 30, 2023
6	DROP - Interest Rate		Increases the interest rate applied to a member's accrued monthly benefit from 1.3 percent to 4 percent.	House modified - effective date June 30, 2023
6a	DROP - Instructional Personnel			Extends the maximum amount of time for Instructional Personnel to participate in DROP from 96 to 120 calendar months, effective June 30, 2023. The extension sunsets June 30, 2029

Senate Appropriations Committee / House Appropriations Committee
Fiscal Year 2023-24
State Administered Retirement Systems - Senate Bill 7024/ House Bill 239

Line	Issue	Senate	House	Senate Offer #1
7	Section 121.101			
	COLA		Restores the cost-of-living adjustment for eligible FRS pension plan members to 3 percent for all members eligible for a COLA and removes the restoration language in current statute.	Senate - no language
8	Section 121.4501			
	Conforming Changes		Includes conforming provisions to changes made by the bill.	House
9	Section 121.71			
	Normal Cost Contribution	Sets contribution rates at blended rates based on the 2022 actuarial valuation.	Sets contribution rates based on the 2022 actuarial valuation and benefit/policy changes included in the bill.	Sets contribution rates based on the 2022 actuarial valuation and benefit/policy changes included in the bill.
	Contribution for unfunded actuarial liability	Sets contribution rates at blended rates based on the 2022 actuarial valuation.	Sets contribution rates based on the 2022 actuarial valuation and benefit/policy changes included in the bill.	Sets contribution rates based on the 2022 actuarial valuation and benefit/policy changes included in the bill.
10	Section 121.72			
	Investment Plan Contribution Rate		Increases the allocations to investment plan accounts by 1 percent for each membership class in the investment plan.	Increases the allocations to investment plan accounts by <u>2</u> percent for each membership class in the investment plan.
11	Section 121.73			
	Member Disability Coverage		Increases the allocations for disability coverage based on actuarial studies for benefit/policy changes included in the bill.	Technical change - corrects allocations based on benefit changes from prior year
12	Section 121.735			
	Line-of-duty Death Benefits		Increases the allocations for disability coverage based on actuarial studies for benefit/policy changes included in the bill.	Technical change - corrects allocations based on benefit changes from prior year
13	Important state interest relating to retirement costs	Included	Included	Identical
14	Effective Date	July 1, 2023	July 1, 2023	June 30, 2023