GOVERNOR OF MISSOURI

JEFFERSON CITY
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JEREMIAH W. (JAY) NIXON
GOVERNOR

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July 10, 2015

TO THE SECRETARY OF THE STATE OF THE STATE OF MISSOURI

Herewith I return to you House Bill No. 326 entitled:

AN ACT

To repeal section 105.666, RSMo, and to enact in lieu thereof one new section relating to defined benefit pension plans.

I disapprove of House Bill No. 326. My reasons for disapproval are as follows:

House Bill No. 326 makes a change that will impact the board of trustees of over 30 public employee retirement systems. These boards make decisions that affect over 8,000 current and former public employees, including firefighters, police officers, and county hospital workers. Because these dedicated public servants deserve educated stewards of their retirement systems, I cannot approve House Bill No. 326.

Since 2008, public retirement plans have been required to establish board member education programs to educate new board members on topics such as ethics, governance, pension plan design and administration of benefits, investments, legal liability, the sunshine law, actuarial principles, and the role of staff and consultants in plan administration. Board members are also required to annually complete continuing education programs. Last year, House Committee Substitute for House Bill No. 1882 added enforcement provisions to ensure compliance with these educational requirements.

House Bill No. 326 would abandon this progress by inexplicably excluding board members of defined contribution plans from these commonsense educational requirements. Retirement plans are complex entities that deal with complicated issues. Board members have a responsibility to be educated in all areas relevant to their service. That responsibility currently exists and will continue with my action today.

In accordance with the above stated reasons for disapproval, I am returning House Bill No. 326 without my approval.

Respectfully submitted,

Jeremiah W. (Jay) Nixon
Governor