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**Testimony in Support of House Bill 744
State Retirement and Pension Systems – Administration – Clarifications and Corrections
House Appropriations Committee**

**February 15, 2022
1:00 P.M.**

**Anne Gawthrop
Director of Legislative Affairs
State Retirement Agency**

The Board of Trustees for the State Retirement and Pension System wishes to express its support for House Bill 744, State Retirement and Pension Systems – Administration – Clarifications and Corrections. House Bill 744 is legislation sponsored by the Joint Committee on Pensions at the request of the Board.

This legislation is technical and clarifying. It codifies the current practices of the State Retirement Agency (Agency), addresses inconsistencies in existing law, removes obsolete provisions, and directs the Agency to make certain corrections. A summary of each of the provisions is included in this testimony.

Trustee Elections

House Bill 744 codifies the Agency's existing practice that only active members of the System may participate in Board of Trustees' elections. Additionally, the bill clarifies that that only active members of the System may serve on the Board as trustees representing the active members of the several systems.

State Police Survivorship Benefits

This legislation corrects a reference in the Deferred Retirement Option Program (DROP) for the State Police Retirement System (SPRS) addressing the amount of a deceased retiree's benefit that shall be paid at the retiree's death. The Agency has reviewed all death benefits that have been paid under this section and determined no benefits were calculated using the incorrect benefit currently referenced in the DROP provisions for the SPRS.

Retired Parole and Probation Officers

A provision is included in House Bill 744 that adds a reemployment exemption for retirees of the Correctional Officers Retirement System (CORS) who are reemployed as parole and probation employees. This CORS reemployment exemption would be consistent with a similar reemployment exemption that currently exists in the Employees' Retirement System (ERS) and the Employees' Pension System (EPS) for ERS and EPS parole and probation retirees.

Purchase of Service Credit for Judges

House Bill 744 removes obsolete provisions in the Judges' Retirement System (JRS) that allow for members of the JRS to purchase prior service as: (1) a magistrate in chancery or magistrate in juvenile

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causes on or before June 30, 1975; or (2) a member of the State Workers' Compensation Commission on or before June 30, 1977. The Agency has not received an application from a member of the JRS who would be eligible to purchase either of these two types of prior service in the last 20 years.

Properly Completed Retirement Application/Improperly Completed Notarization

Finally, House Bill 744 includes a provision directing the Board to accept a retirement application that was properly completed but was not properly notarized. As drafted, the Agency is aware of one retirement application that would satisfy the criteria included in the bill. The member who submitted the properly completed retirement application passed away after submitting her application, but before she received notification from the Agency that the notary did not properly complete their section on her retirement application.

We appreciate being given this opportunity to express our support to the Committee for this legislation and would request a favorable report on House Bill 744. |