



The HR Connection

We work better, when we work together...

August 2014

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Contribution Rates for FY15

Listed below are the new contribution rates effective July 1, 2014 – June 30, 2015

- Civilian Employer Contribution 58.23%
- Uniform Employer Contribution 57.66%
- Disability Contribution 0.53%

HB1217 – Protection Against Pension Advances

The combined debt of Americans from the ages of 65 to 74 is rising faster than that of any other age group, according to data from the Federal Reserve. Unfortunately, this has led to the rise of companies attempting to take advantage of retirees using pension advances. Pension advance schemes take advantage of retirees by providing an upfront lump sum in exchange for all, or a portion of, their public pension benefit. These companies prey on elderly people, in many cases with poor or bad credit, nationwide, by charging exorbitant interest rates. Some older Americans are both at greater risk of being in financial distress and of being financially exploited as they typically live off income below what they earned during their careers and assets that took a lifetime to accumulate. In 2011 a study by MetLife Mature Market Institute on elder financial abuse reported that older Americans lose an estimated \$2.9 billion annually to financial exploitation. There is currently very limited federal oversight on pension advances.

RSMo 104.250.2 currently exists in our state statutes to help protect our members from predators that attempt to take their benefits. Under this statute, retirement benefits cannot be subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim whatsoever, and are unassignable except to be subject to the collection of child support or spousal maintenance. Governor Nixon recently signed into law, HB1217, which expands on these protections already in place.

HB1217 states that the right of a person to a public employment retirement benefit cannot be transferred or assigned to anyone else, under any circumstances. A pension assignee cannot use any device, scheme, transfer, or other method to evade the applicability and prohibition of these provisions. Any contract or agreement made in violation of these provisions is void and all sums paid to or collected by an assignee must be returned as restitution.

Any benefit recipient (retiree), his or her guardian or conservator, or heir or beneficiary, or the Attorney General may bring an action to enforce the restitution authorized under these provisions within five years after a violation. Whenever it appears that an individual or entity is engaged, or is about to engage in, a violation of these provisions, the Attorney General may bring an action to stop the act or practice and, upon a proper showing, a temporary restraining order or an injunction must be granted without bond.

Upcoming Seminars

Below is a listing of Pre-Retirement Seminars scheduled for August:

- August 6, 2014 Joplin
- August 7, 2014 Springfield
- August 21, 2014 Sikeston

Please let us know of anyone that needs to be added to/removed from this distribution listing. If you have topics you would like for us to address, please send them to us and we will do our best to incorporate them in future connections. As always, please feel free to contact us with any questions or concerns you may have!