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Governmental Plans Update: September 2015

Governor Vetoes Continuing Education Exemption for Defined Contribution Plan Trustees

On July 10, 2015, Missouri Gov. Jay Nixon vetoed H.B. 326, the only bill applicable to all public retirement systems to pass both houses in the General Assembly's 2015 regular session. H.B. 326 would have clarified that the continuing education requirements of RSMo Section 105.666 (six hours of continuing education annually in specified subject areas) apply to trustees of only defined benefit plans.

In his explanation, Nixon said boards of defined contribution plans should not be exempted from the continuing education requirements because participants in these plans "deserve educated stewards of their retirement systems" and "[b]oard members have a responsibility to be educated in all areas relevant to their service."

As indicated in a prior blog, it is not clear that the continuing education requirements of RSMo Section 105.666 apply to trustees of public defined contribution plans. One of the required subject areas specified in Section 105.666 is "actuarial principles and methods," which are not relevant to defined contribution plans. However, the governor's veto reflects a different opinion, and all agree that trustees of defined contribution plans need to be educated to perform their fiduciary duties. It would be prudent for trustees of defined contribution plans to get the education described in Section 105.666 so as not to risk noncompliance.

If you are seeking assistance with your plan's legal needs, please contact Alan Kandel at 314.345.6463.

Upcoming Seminars

Please join us on November 10, 2015, in St. Louis or November 12, 2015, in Kansas City for our second annual continuing education seminars for trustees of Missouri public employee pension plans. More information will be coming soon.