

Amendment No. 2 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

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11 The Committee on Fiscal Policy & Resources offered the  
12 following:

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14 **Amendment**

15 On page 10, lines 23 through page 11, line 27,  
16 remove: all of said lines,

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18 and insert: 121.571 Contributions.--Contributions to the  
19 Public Employee Optional Retirement Program shall be made as  
20 follows:

21 (2) CONTRIBUTIONS TO PARTICIPANT ACCOUNTS.--Employer  
22 and participant contributions to participant accounts shall be  
23 accounted for separately. Interest and investment earnings on  
24 employer contributions shall accrue on a tax-deferred basis  
25 until proceeds are distributed. Pursuant thereto:

26 (a) All contributions made on behalf of a participant  
27 pursuant to this subsection shall be transferred by the  
28 employer to the third-party administrator for deposit in the  
29 participant's account. All contributions made on behalf of a  
30 participant shall be made timely. Employer contributions  
31 received after the 5th working day of each month shall be

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1 considered late. The employer shall be assessed a penalty of  
2 1 percent of the contributions due for each calendar month or  
3 part thereof that the contributions are late. If  
4 contributions made by an employer are not received within the  
5 calendar month they are due and if the lateness results in  
6 market losses to participants, the employer shall make each  
7 participant whole for market losses resulting from the late  
8 contributions. Proceeds from the 1 percent assessment and any  
9 market loss will be deposited into participant accounts by the  
10 third-party administrator. The third-party administrator  
11 hired by the board pursuant to section 121.4501(8), will  
12 calculate the market losses for each affected participant.  
13 When contributions are more than one calendar month late, the  
14 employer shall also pay the cost of the third-party  
15 administrator calculation and reconciliation adjustments  
16 resulting from the late contributions. The third-party  
17 administrator will notify the employer of the total amount  
18 due. The employer will remit to the third-party administrator  
19 the amount due within ten (10) working days of the date of the  
20 penalty notice sent by the third-party administrator. The  
21 board is authorized to adopt rules to implement the provisions  
22 regarding late contributions, the process for making  
23 participants whole for resultant market losses and the  
24 penalties charged to the employers.

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