



Active & Retired
Missouri State
Employees

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Sue Cox, Executive Director

December 11, 2023

The Honorable
Governor Mike Parson
Missouri State Capitol
Room 218
Jefferson City, Missouri 65101

Dear Governor Parson:

THANK YOU!!!

Thank you for your leadership in serving Missouri state employees and Missouri state retirees! We are most appreciative of the efforts you and your team are making to do right by the Missouri state workforce. To that end – please consider continuing this direction, so we might have the state workforce Missouri taxpayers deserve.

We are contacting you again this year, as well as, the Lt. Governor, the OA budget director and a variety of legislative leaders on issues important to the FY 2025 budget and the upcoming legislative session.

The Association of Active and Retired Missouri State Employees (ARMSE) is a non-partisan association working to keep active and retired state employees informed about the state's administration of health care and retirement programs.

This letter highlights our association's requests for state employees' salary issues, benefits and state taxation, specific to the FY 2025 budget and 2024 legislative session.

#1 STATE PAY PLAN

Please consider a continuation of your efforts to reward state employees. It's important to provide a pay plan that keeps pace with the inflation we are all experiencing. To that we end, we ask you to consider a state pay raise of at least 4 percent.

#2 MOSERS and MPERS – We ask that the state fully fund the certified contribution rate submitted by the Missouri State Employees' Retirement System (MOSERS) Board of Trustees. MOSERS has always received the certified rate. Continuation of that practice is critical to maintenance of the state's Triple-A bond rating and an essential demonstration of the state's solvency and commitment to excellence in financial management. Similarly, we ask that the state fully fund the certified contribution rate for the Missouri Department of Transportation and Missouri State Highway Patrol Employees' Retirement System (MPERS).

#3 MCHCP FY 2025 Budget – ARMSE supports full funding of the MCHCP budget request. In addition, we ask that the state ensure sufficient FY 2025 funding to cover health care cost

increases. Any increase in the cost of health care should not consume the entire pay plan for active employees or the entire cost-of-living adjustment for retirees.

MCHCP Medicare retirees in 2019 were forced into a Medicare Advantage plan and the state should continually review the number and percentage of former state employees in the plan. The state and the MCHCP board should not operate the plan in a manner that drives former employees out of the plan due to cost or benefit increases in attempts to reduce MCHCP's budget.

#4 TAXATION OF PENSION BENEFITS

ARMSE is requesting further guidance regarding the legislation that reduced the amount of public retirement benefits subject to state income tax. Guidance is needed from the Department of Revenue as soon as possible, so state retirees can determine what they want to do regarding state income tax withholding from their retirement benefits. MOSERS and MPERS have been asking DOR about this issue since the end of the legislative session, however, an answer has not been provided. It is important for state retirees to make their withholding decisions as early as possible in the new year.

If ARMSE can be of any service to accomplishing these goals, please call on us. Thank you again for your continued support of both active and retired state employees!

Sincerely,



Roger Schwartz, ARMSE President
Jefferson City
573-690-4496

Cc: Lt. Governor Mike Kehoe
Dan Haug, OA Budget and Planning
Sen. Caleb Rowden
Sen. Cindy O'Laughlin
Sen. Mike Bernskoetter
Sen. John Rizzo
Sen. Rusty Black
Sen. Lincoln Hough
Rep. Dean Plocher
Rep. Mike Henderson
Rep. Dave Griffith
Rep. Rudy Veit
Rep. Barry Hovis
Rep. Dirk Deaton
Rep. Don Mayhew
Rep. Cody Smith