

AMERICAN PAYROLL ASSOCIATION

January 31, 2020

The Honorable Kip Kendrick
Missouri House of Representatives
201 West Capitol Avenue, Room 101-B
Jefferson City, MO 65101

Re: H.B. 1432 and the Role of Private-Sector Employers in State Retirement Savings Plans

Dear Representative Kendrick:

The American Payroll Association (APA) set out to develop a report on the role of employers in state-sponsored retirement plans for employees who may not have a qualified employer-sponsored retirement plan available to them. The intent of the report is to offer interested stakeholders in state and local governments practical advice and considerations without recommending that governments undertake a plan or implement a specific approach. The report covers important issues, considering the full “life cycle” of an employee from new hire to termination or retirement.

Established in 1982, APA is a nonprofit association serving the interests of about 21,000 payroll professionals nationwide. APA’s primary mission is to educate its members and the payroll community about the best practices associated with paying America’s workers while complying with applicable federal, state, and local laws and regulations. On behalf of their employers APA members are directly responsible for withholding and remitting retirement funds to employees’ accounts.

The report is divided into sections starting with general concerns for employers, then taking the reader through a logical order of initial disclosure notices, enrollment for employers and employees, contribution amounts, notices of changes to employment status, a discussion on the remittance process, and notices regarding enrollment periods.

Based on the report, APA recommends that a provision be added to H.B. 1432 to specify that an employer may contract with a third-party to fulfill administrative requirements, such as a payroll service provider or professional employer organization. Please also consider adding a time frame after initial plan implementation for when employers are required to accept employees’ enrollment. This can be performed through a directive to the administrative board developing plan requirements.

To discuss the report further and share ideas about the role of payroll professionals in government-sponsored retirement savings programs, please contact Alice Jacobsohn at 202-248-3901 or ajacobsohn@americanpayroll.org.

Sincerely,



Pete Isberg
Cochair, APA State & Local Topics Subcommittee



Bruce Phipps, CPP
Cochair, APA State & Local Topics Subcommittee



Carlanna Livingstone, CPP
Cochair, APA State & Local Topics Subcommittee



Alice P. Jacobsohn, Esq.
Senior Manager, Government Relations
American Payroll Association

Cc: Speaker Elijah Haahr, Speaker Pro Tem John Wiemann, Majority Floor Leader Rob Vescovo, and Minority Floor Leader Crystal Quade