

SENATE BILL NO. 1155

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR LUETKEMEYER.

5734S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 104.1091, RSMo, and to enact in lieu thereof one new section relating to public employee retirement systems.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 104.1091, RSMo, is repealed and one
2 new section enacted in lieu thereof, to be known as section
3 104.1091, to read as follows:

104.1091. 1. Notwithstanding any provision of the
2 year 2000 plan to the contrary, each person who first
3 becomes an employee on or after January 1, 2011, shall be a
4 member of the year 2000 plan subject to the provisions of
5 this section.

6 2. A member's normal retirement eligibility shall be
7 as follows:

8 (1) The member's attainment of at least age sixty-
9 seven and the completion of at least ten years of credited
10 service; or the member's attainment of at least age fifty-
11 five with the sum of the member's age and credited service
12 equaling at least ninety; or, in the case of a member who is
13 serving as a uniformed member of the highway patrol and
14 subject to the mandatory retirement provisions of section
15 104.081, such member's attainment of at least age sixty or
16 the attainment of at least age fifty-five with ten years of
17 credited service;

18 (2) For members of the general assembly, the member's
19 attainment of at least age sixty-two and the completion of
20 at least three full biennial assemblies; or the member's
21 attainment of at least age fifty-five with the sum of the
22 member's age and credited service equaling at least ninety;

23 (3) For statewide elected officials, the official's
24 attainment of at least age sixty-two and the completion of
25 at least four years of credited service; or the official's
26 attainment of at least age fifty-five with the sum of the
27 official's age and credited service equaling at least ninety.

28 3. A vested former member's normal retirement
29 eligibility shall be based on the attainment of at least age
30 sixty-seven and the completion of at least ten years of
31 credited service.

32 4. A temporary annuity paid pursuant to subsection 4
33 of section 104.1024 shall be payable if the member has
34 attained at least age fifty-five with the sum of the
35 member's age and credited service equaling at least ninety;
36 or in the case of a member who is serving as a uniformed
37 member of the highway patrol and subject to the mandatory
38 retirement provisions of section 104.081, the temporary
39 annuity shall be payable if the member has attained at least
40 age sixty, or at least age fifty-five with ten years of
41 credited service.

42 5. A member, other than a member who is serving as a
43 uniformed member of the highway patrol and subject to the
44 mandatory retirement provisions of section 104.081, shall be
45 eligible for an early retirement annuity upon the attainment
46 of at least age sixty-two and the completion of at least ten
47 years of credited service. A vested former member shall not
48 be eligible for early retirement.

49 6. The provisions of subsection 6 of section 104.1021
50 and section 104.344 as applied pursuant to subsection 7 of
51 section 104.1021 and section 104.1090 shall not apply to
52 members covered by this section.

53 7. The minimum credited service requirements of five
54 years contained in sections 104.1018, 104.1030, 104.1036,
55 and 104.1051 shall be ten years for members covered by this
56 section. The normal and early retirement eligibility
57 requirements in this section shall apply for purposes of
58 administering section 104.1087.

59 8. A member shall be required to contribute four
60 percent of the member's pay to the retirement system, which
61 shall stand to the member's credit in his or her individual
62 account with the system, together with investment credits
63 thereon, for purposes of funding retirement benefits payable
64 under the year 2000 plan, subject to the following
65 provisions:

66 (1) The state of Missouri employer, pursuant to the
67 provisions of 26 U.S.C. Section 414(h)(2), shall pick up and
68 pay the contributions that would otherwise be payable by the
69 member under this section. The contributions so picked up
70 shall be treated as employer contributions for purposes of
71 determining the member's pay that is includable in the
72 member's gross income for federal income tax purposes;

73 (2) Member contributions picked up by the employer
74 shall be paid from the same source of funds used for the
75 payment of pay to a member. A deduction shall be made from
76 each member's pay equal to the amount of the member's
77 contributions picked up by the employer. This deduction,
78 however, shall not reduce the member's pay for purposes of
79 computing benefits under the retirement system pursuant to
80 this chapter;

81 (3) Member contributions so picked up shall be
82 credited to a separate account within the member's
83 individual account so that the amounts contributed pursuant
84 to this section may be distinguished from the amounts
85 contributed on an after-tax basis;

86 (4) The contributions, although designated as employee
87 contributions, shall be paid by the employer in lieu of the
88 contributions by the member. The member shall not have the
89 option of choosing to receive the contributed amounts
90 directly instead of having them paid by the employer to the
91 retirement system;

92 (5) Interest shall be credited annually on June
93 thirtieth based on the value in the account as of July first
94 of the immediately preceding year at a rate of four
95 percent. Effective June 30, 2014, and each June thirtieth
96 thereafter, the interest crediting rate shall be equal to
97 the investment rate that is published by the United States
98 Department of Treasury, or its successor agency, for fifty-
99 two week treasury bills for the relevant auction that is
100 nearest to the preceding July first, or a successor treasury
101 bill investment rate as approved by the board if the fifty-
102 two week treasury bill is no longer issued. Interest
103 credits shall cease upon termination of employment if the
104 member is not a vested former member. Otherwise, interest
105 credits shall cease upon retirement or death;

106 (6) A vested former member or a former member who is
107 not vested may request a refund of his or her contributions
108 and interest credited thereon. If such member is married at
109 the time of such request, such request shall not be
110 processed without consent from the spouse. Such member is
111 not eligible to request a refund if such member's retirement
112 benefit is subject to a division of benefit order pursuant

113 to section 104.1051. Such refund shall be paid by the
114 system after ninety days from the date of termination of
115 employment or the request, whichever is later, and shall
116 include all contributions made to any retirement plan
117 administered by the system and interest credited thereon. A
118 vested former member may not request a refund after such
119 member becomes eligible for normal retirement. A vested
120 former member or a former member who is not vested who
121 receives a refund shall forfeit all the member's credited
122 service and future rights to receive benefits from the
123 system and shall not be eligible to receive any long-term
124 disability benefits; provided that any member or vested
125 former member receiving long-term disability benefits shall
126 not be eligible for a refund. If such member subsequently
127 becomes an employee and works continuously for at least one
128 year, the credited service previously forfeited shall be
129 restored if the member returns to the system the amount
130 previously refunded plus interest at a rate established by
131 the board;

132 (7) The beneficiary of any member who made
133 contributions shall receive a refund upon the member's death
134 equal to the amount, if any, of such contributions and
135 interest credited thereon less any retirement benefits
136 received by the member unless an annuity is payable to a
137 survivor or beneficiary as a result of the member's death.
138 In that event, the beneficiary of the survivor or
139 beneficiary who received the annuity shall receive a refund
140 upon the survivor's or beneficiary's death equal to the
141 amount, if any, of the member's contributions less any
142 annuity amounts received by the member and the survivor or
143 beneficiary.

144 9. The employee contribution rate, the benefits
145 provided under the year 2000 plan to members covered under
146 this section, and any other provision of the year 2000 plan
147 with regard to members covered under this section may be
148 altered, amended, increased, decreased, or repealed, but
149 only with respect to services rendered by the member after
150 the effective date of such alteration, amendment, increase,
151 decrease, or repeal, or, with respect to interest credits,
152 for periods of time after the effective date of such
153 alteration, amendment, increase, decrease, or repeal.

154 10. For purposes of members covered by this section,
155 the options under section 104.1027 shall be as follows:

156 Option 1.

157 A retiree's life annuity shall be reduced to a
158 certain percent of the annuity otherwise
159 payable. Such percent shall be eighty-eight and
160 one half percent adjusted as follows: if the
161 retiree's age on the annuity starting date is
162 younger than sixty-seven years, an increase of
163 three-tenths of one percent for each year the
164 retiree's age is younger than age sixty-seven
165 years; and if the beneficiary's age is younger
166 than the retiree's age on the annuity starting
167 date, a decrease of three-tenths of one percent
168 for each year of age difference; and if the
169 retiree's age is younger than the beneficiary's
170 age on the annuity starting date, an increase of
171 three-tenths of one percent for each year of age
172 difference; provided, after all adjustments the
173 option 1 percent cannot exceed ninety-four and
174 one quarter percent. Upon the retiree's death,
175 fifty percent of the retiree's reduced annuity

176 shall be paid to such beneficiary who was the
177 retiree's spouse on the annuity starting date or
178 as otherwise provided by subsection 5 of this
179 section.

180 Option 2.

181 A retiree's life annuity shall be reduced to a
182 certain percent of the annuity otherwise
183 payable. Such percent shall be eighty-one
184 percent adjusted as follows: if the retiree's
185 age on the annuity starting date is younger than
186 sixty-seven years, an increase of four-tenths of
187 one percent for each year the retiree's age is
188 younger than sixty-seven years; and if the
189 beneficiary's age is younger than the retiree's
190 age on the annuity starting date, a decrease of
191 five-tenths of one percent for each year of age
192 difference; and if the retiree's age is younger
193 than the beneficiary's age on the annuity
194 starting date, an increase of five-tenths of one
195 percent for each year of age difference;
196 provided, after all adjustments the option 2
197 percent cannot exceed eighty-seven and three
198 quarter percent. Upon the retiree's death one
199 hundred percent of the retiree's reduced annuity
200 shall be paid to such beneficiary who was the
201 retiree's spouse on the annuity starting date or
202 as otherwise provided by subsection 5 of this
203 section.

204 Option 3.

205 A retiree's life annuity shall be reduced to
206 ninety-three percent of the annuity otherwise
207 payable. If the retiree dies before having

208 received one hundred twenty monthly payments,
209 the reduced annuity shall be continued for the
210 remainder of the one hundred twenty-month period
211 to the retiree's designated beneficiary provided
212 that if there is no beneficiary surviving the
213 retiree, the present value of the remaining
214 annuity payments shall be paid as provided under
215 subsection 3 of section 104.620. If the
216 beneficiary survives the retiree but dies before
217 receiving the remainder of such one hundred
218 twenty monthly payments, the present value of
219 the remaining annuity payments shall be paid as
220 provided under subsection 3 of section 104.620.

221 Option 4.

222 A retiree's life annuity shall be reduced to
223 eighty-six percent of the annuity otherwise
224 payable. If the retiree dies before having
225 received one hundred eighty monthly payments,
226 the reduced annuity shall be continued for the
227 remainder of the one hundred eighty-month period
228 to the retiree's designated beneficiary provided
229 that if there is no beneficiary surviving the
230 retiree, the present value of the remaining
231 annuity payments shall be paid as provided under
232 subsection 3 of section 104.620. If the
233 beneficiary survives the retiree but dies before
234 receiving the remainder of such one hundred
235 eighty monthly payments, the present value of
236 the remaining annuity payments shall be paid as
237 provided under subsection 3 of section 104.620.

238 11. The provisions of subsection 6 of section 104.1024
239 shall not apply to members covered by this section, **except**

240 **for uniformed members of the highway patrol as that term is**
241 **defined in section 104.010.**

242 12. Effective January 1, 2018, a member who is not a
243 statewide elected official or a member of the general
244 assembly shall be eligible for retirement under this
245 subsection subject to the following conditions:

246 (1) A member's normal retirement eligibility shall be
247 based on the attainment of at least age sixty-seven and the
248 completion of at least five years of credited service; or
249 the member's attainment of at least age fifty-five with the
250 sum of the member's age and credited service equaling at
251 least ninety; or in the case of a member who is serving as a
252 uniformed member of the highway patrol and subject to the
253 mandatory retirement provisions of section 104.081, such
254 member's attainment of at least age sixty or the attainment
255 of at least age fifty-five with five years of credited
256 service;

257 (2) A vested former member's normal retirement
258 eligibility shall be based on the attainment of at least age
259 sixty-seven and the completion of at least five years of
260 credited service;

261 (3) A temporary annuity paid under subsection 4 of
262 section 104.1024 shall be payable if the member has attained
263 at least age fifty-five with the sum of the member's age and
264 credited service equaling at least ninety; or in the case of
265 a member who is serving as a uniformed member of the highway
266 patrol and subject to the mandatory retirement provisions of
267 section 104.081, the temporary annuity shall be payable if
268 the member has attained at least age sixty, or at least age
269 fifty-five with five years of credited service;

270 (4) A member, other than a member who is serving as a
271 uniformed member of the highway patrol and subject to the

272 mandatory retirement provisions of section 104.081, shall be
273 eligible for an early retirement annuity upon the attainment
274 of at least age sixty-two and the completion of at least
275 five years of credited service. A vested former member
276 shall not be eligible for early retirement;

277 (5) The normal and early retirement eligibility
278 requirements in this subsection shall apply for purposes of
279 administering section 104.1087;

280 (6) The survivor annuity payable under section
281 104.1030 for vested former members covered by this section
282 shall not be payable until the deceased member would have
283 reached his or her normal retirement eligibility under this
284 subsection;

285 (7) The annual cost-of-living adjustment payable under
286 section 104.1045 shall not commence until the second
287 anniversary of a vested former member's annuity starting
288 date for members covered by this subsection;

289 (8) The unused sick leave credit granted under
290 subsection 2 of section 104.1021 shall not apply to members
291 covered by this subsection unless the member terminates
292 employment after reaching normal retirement eligibility or
293 becoming eligible for an early retirement annuity under this
294 subsection; and

295 (9) The minimum credited service requirements of five
296 years contained in sections 104.1018, 104.1030, 104.1036,
297 and 104.1051 shall be five years for members covered by this
298 subsection.

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