

SECOND REGULAR SESSION

HOUSE BILL NO. 1455

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE O'TOOLE.

Read 1st time January 14, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

3641L.011

AN ACT

To repeal sections 104.625 and 104.1024, RSMo, and to enact in lieu thereof two new sections relating to public retirement systems, with an emergency clause.

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

Section A. Sections 104.625 and 104.1024, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 104.625 and 104.1024, to read as follows:

104.625. Effective [January] **July** 1, 2002, any member retiring pursuant to the
2 provisions of sections 104.010 to 104.801, except an elected official or a member of the general
3 assembly, who has not been paid retirement benefits and continues employment for at least two
4 years beyond normal retirement age, may elect to receive an annuity and lump sum payment or
5 payments, determined as follows:

6 (1) A retroactive starting date shall be established which shall be [the later of the date
7 when a normal annuity would have first been payable had the member retired at that time or five
8 years before the annuity starting date, which shall be the first day of the month with respect to
9 which an amount is paid as annuity pursuant to this section] **a date selected by the member;**
10 **provided, however, that the retroactive starting date selected by the member shall not be**
11 **a date which is earlier than the date when a normal annuity would have first been payable.**
12 **In addition, the retroactive starting date shall not be more than five years prior to the**
13 **annuity starting date, which shall be the first day of the month with respect to which an**
14 **amount is paid as an annuity pursuant to this section. The member's selection of a**
15 **retroactive starting date shall be done in twelve-month increments, except this restriction**
16 **shall not apply when the member selects the total available time between the retroactive**

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 **starting date and the annuity starting date;**

18 (2) The prospective annuity payable as of the annuity starting date shall be determined
19 pursuant to the provisions otherwise applicable under the law, with the exception that it shall be
20 the amount which would have been payable had the member actually retired on the retroactive
21 starting date under the retirement plan selected by the member. Other than for the lump sum
22 payment or payments specified in subdivision (3) of this section, no other amount shall be due
23 for the period between the retroactive starting date and the annuity starting date;

24 (3) The lump sum payable shall be ninety percent of the annuity amounts which would
25 have been paid to the member from the retroactive starting date to the annuity starting date had
26 the member actually retired on the retroactive starting date and received a normal annuity. The
27 member shall elect to receive the lump sum amount either in its entirety at the same time as the
28 initial annuity payment is made or in three equal annual installments with the first payment made
29 at the same time as the initial annuity payment; [and]

30 (4) Any annuity payable pursuant to this section that is subject to a division of benefit
31 order pursuant to section 104.312 shall be calculated as follows:

32 (a) Any service of a member between the retroactive starting date and the annuity
33 starting date shall not be considered creditable service except for purposes of calculating the
34 division of benefit; and

35 (b) The lump sum payment described in subdivision (3) of this section shall not be
36 subject to any division of benefit order; **and**

37 **(5) For purposes of determining annual benefit increases payable as part of the**
38 **lump sum and annuity provided pursuant to this section, the retroactive starting date shall**
39 **be considered the member's date of retirement.**

104.1024. 1. Any member who terminates employment may retire on or after attaining
2 normal retirement eligibility by making application in written form and manner approved by the
3 appropriate board. The written application shall set forth the annuity starting date which shall
4 not be earlier than the first day of the second month following the month of the execution and
5 filing of the member's application for retirement nor later than the first day of the fourth month
6 following the month of the execution and filing of the member's application for retirement.

7 2. A member's annuity shall be paid in the form of a life annuity, except as provided in
8 section 104.1027, and shall be an amount for life equal to one and seven-tenths percent of the
9 final average pay of the member multiplied by the member's years of credited service.

10 3. The life annuity defined in subsection 2 of this section shall not be less than a monthly
11 amount equal to fifteen dollars multiplied by the member's full years of credited service.

12 4. If as of the annuity starting date of a member who has attained normal retirement
13 eligibility the sum of the member's years of age and years of credited service equals eighty or

14 more years and if the member's age is at least fifty years but less than sixty-two years, or, in the
15 case of a member of the highway patrol who shall be subject to the mandatory retirement
16 provision of section 104.080, the mandatory retirement age and completion of five years of
17 credited service, then in addition to the life annuity described in subsection 2 of this section, the
18 member shall receive a temporary annuity equal to eight-tenths of one percent of the member's
19 final average pay multiplied by the member's years of credited service. The temporary annuity
20 and any cost-of-living adjustments attributable to the temporary annuity pursuant to section
21 104.1045 shall terminate at the end of the calendar month in which the earlier of the following
22 events occurs: the member's death or the member's attainment of the earliest age of eligibility for
23 reduced Social Security retirement benefits.

24 5. The annuity described in subsection 2 of this section for any person who has credited
25 service not covered by the federal Social Security Act, as provided in sections 105.300 to
26 105.445, RSMo, shall be calculated as follows: the life annuity shall be an amount equal to two
27 and five-tenths percent of the final average pay of the member multiplied by the number of years
28 of service not covered by the federal Social Security Act in addition to one and seven-tenths
29 percent of the final average pay of the member multiplied by the member's years of credited
30 service covered by the federal Social Security Act.

31 6. Effective [January] **July 1, 2002**, any member, except an elected official or a member
32 of the general assembly, who has not been paid retirement benefits and continues employment
33 for at least two years beyond the date of normal retirement eligibility, may elect to receive an
34 annuity and lump sum payment or payments, determined as follows:

35 (1) A retroactive starting date shall be established which shall be [the later of the first
36 day of retirement eligibility or five years before the annuity starting date] **a date selected by the**
37 **member; provided, however, that the retroactive starting date selected by the member shall**
38 **not be a date which is earlier than the date when a normal annuity would have first been**
39 **payable. In addition, the retroactive starting date shall not be more than five years prior**
40 **to the annuity starting date. The member's selection of a retroactive starting date shall be**
41 **done in twelve-month increments, except this restriction shall not apply when the member**
42 **selects the total available time between the retroactive starting date and the annuity**
43 **starting date;**

44 (2) The prospective annuity payable as of the annuity starting date shall be determined
45 pursuant to the provisions of this section, with the exception that it shall be the amount which
46 would have been payable at the annuity starting date had the member actually retired on the
47 retroactive starting date under the retirement plan selected by the member. Other than for the
48 lump sum payment or payments specified in subdivision (3) of this subsection, no other amount
49 shall be due for the period between the retroactive starting date and the annuity starting date;

50 (3) The lump sum payable shall be ninety percent of the annuity amounts which would
51 have been paid to the member from the retroactive starting date to the annuity starting date had
52 the member actually retired on the retroactive starting date and received a life annuity. The
53 member shall elect to receive the lump sum amount either in its entirety at the same time as the
54 initial annuity payment is made or in three equal annual installments with the first payment made
55 at the same time as the initial annuity payment; [and]

56 (4) Any annuity payable pursuant to this section that is subject to a division of benefit
57 order pursuant to section 104.1051 shall be calculated as follows:

58 (a) Any service of a member between the retroactive starting date and the annuity
59 starting date shall not be considered credited service except for purposes of calculating the
60 division of benefit; and

61 (b) The lump sum payment described in subdivision (3) of this section shall not be
62 subject to any division of benefit order; **and**

63 **(5) For purposes of determining annual benefit increases payable as part of the**
64 **lump sum and annuity provided pursuant to this section, the retroactive starting date shall**
65 **be considered the member's date of retirement.**

Section B. Because immediate action is necessary to provide equitable treatment and
2 timely application of certain pension benefits and compensation, section A of this act is deemed
3 necessary for the immediate preservation of the public health, welfare, peace, and safety, and is
4 hereby declared to be an emergency act within the meaning of the constitution, and section A of
5 this act shall be in full force and effect on July 1, 2002, or upon its passage and approval,
6 whichever occurs later.