

HCS HB 334 -- MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM (Franz)

COMMITTEE OF ORIGIN: Retirement

This substitute changes the laws regarding the Missouri State Employees' Retirement System (MOSERS). The substitute:

- (1) Adds language allowing retirement boards to promulgate rules to accommodate changes in the state's payroll system as it relates to the final average compensation for retirement benefit calculation (Sections 104.010.7 and 104.1003(16), RSMo);
- (2) Changes the required hours for an employee to be eligible for benefits from 1,000 hours to 1,040 hours (Section 104.010.1(20));
- (3) Revises the definition of "member" as an employee, retiree, or vested former employee (Section 104.010.1(27));
- (4) Removes cash-out provisions for active employees (Section 104.335);
- (5) Removes language that allows members to purchase contract service (Section 104.344);
- (6) Revises the section allowing a survivor of a deceased member to receive or transfer creditable prior service for determining survivor benefits (Sections 104.378 and 104.1021(13));
- (7) Clarifies that members on long-term disability are to be treated like active employees as it relates to insurance and retirement benefits (Sections 104.410 and 104.1042);
- (8) Requires errors made on a member's or beneficiary's retirement or survivor's benefit calculation be corrected within a 10-year period (Section 104.490);
- (9) Adds language that all retirees of the plans administered by MOSERS, including administrative law judges and legal advisors and judges, who become reemployed into a benefit eligible position would terminate their retirement benefits while so employed. Upon re-retirement, an additional annuity would be calculated based on the position held while reemployed. The retirement system that paid the original annuity will be responsible for paying the additional annuity (Section 104.603);
- (10) Requires that members purchasing creditable service must apply and complete the purchase prior to applying for retirement benefits (Section 104.606);

(11) Creates an excess benefit plan allowing MOSERS to pay benefits presently subject to Internal Revenue Code 415 limitations (Section 104.607);

(12) Extends the final beneficiary payment provisions to judges and members of the Administrative Law Judges and Legal Advisors' Retirement Plan (ALJLAP) (Section 104.620);

(13) Clarifies language regarding the transfer of service between MOSERS and the Highways and Transportation Employees' and Highway Patrol Retirement System (HTEHPRS) (Section 104.800);

(14) Adds safe harbor provisions for the MOSERS board as it relates to education and advice given to members for retirement planning (Sections 104.1012 and 104.1205.2);

(15) Changes the vesting requirement for service purchase transfers for legislators from two to three full biennial assemblies (Section 104.1021(11));

(16) Clarifies that MOSERS can make beneficiary payments to the natural parent or the legal guardian of a minor child until age 18; thereafter, the benefit may be paid to the child until age 21 (Section 104.1030);

(17) Allows judges and administrative law judges to vote and be a candidate for an elected position on the MOSERS board (Section 104.450); and

(18) Clarifies that retirees, under the new plan, can retain optional life insurance coverage until age 62 (Section 104.1072).

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.