

FIRST REGULAR SESSION

[PERFECTED]

# HOUSE BILL NO. 305

## 96TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES GATSCHENBERGER (Sponsor)  
AND JONES (117) (Co-sponsor).

0615L.02P

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 104, RSMo, by adding thereto two new sections relating to the Missouri state employees' retirement incentive, with an emergency clause.

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

Section A. Chapter 104, RSMo, is amended by adding thereto two new sections, to be  
2 known as sections 104.405 and 104.406, to read as follows:

3       **104.405. 1. This section shall be known and may be cited as the "2011 State**  
4 **Employee Retirement Incentive Program".**

5       **2. As used in this section, "years of service incentive benefit" means for employees**  
6 **eligible to retire under section 104.406, with at least ten years of creditable service, an**  
7 **amount equal to one thousand dollars for each year of creditable service up to a maximum**  
8 **of twenty years of creditable service.**

9       **3. Any employee retiring under section 104.406 shall be eligible to receive the years**  
10 **of service incentive benefit.**

11       **4. The state, through the office of administration, shall pay the years of service**  
12 **incentive benefit to the member or the member's beneficiary in five equal installments**  
13 **beginning in January of 2012 and each January thereafter until all five equal installments**  
14 **have been paid.**

15       **5. (1) The office of administration shall administer the program and shall adopt**  
16 **administrative rules to administer the program. The office of administration may adopt**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 rules on an emergency basis to implement this section and the rules shall be effective  
16 immediately upon filing unless a later date is specified in the rules.

17 (2) Records of the Missouri state employees' retirement system shall be released for  
18 the purposes of administering and monitoring the program.

19 (3) The office of administration shall present an interim report to the general  
20 assembly, including copies to the legislative services agency and the fiscal committee of the  
21 legislative council, by December 31, 2011, concerning the operation of the program. The  
22 office of administration shall also submit an annual update concerning the program by  
23 December thirty-first of each year for four years, commencing December 31, 2012. The  
24 reports shall include information concerning the number of program participants, the cost  
25 of the program including any payments made to participants, the number of state  
26 employment positions not filled under the program, and the number of positions vacated  
27 by a program participant that have been refilled.

104.406. 1. Any employee whose employment has not been terminated for cause  
2 and who has not been a retiree of the system, who is eligible to receive a normal annuity  
3 under section 104.080, 104.090, 104.100, 104.271, or 104.400, or a life annuity under section  
4 104.1024 and terminates employment on or after December 31, 2010, after reaching normal  
5 eligibility and becomes a retiree within sixty days of such termination whose annuity  
6 commences on or after January 1, 2011, but no later than December 1, 2011, shall be  
7 eligible to receive the years of service incentive benefit described in section 104.405. This  
8 subsection shall not apply to any employee whose eligibility to retire is based solely on early  
9 retirement eligibility. Any employee eligible to receive the years of service incentive benefit  
10 described in section 104.405 who terminates employment on or after December 31, 2010,  
11 after reaching normal eligibility but before the effective date of this section and becomes  
12 a retiree within sixty days of such termination whose annuity commences on or after  
13 January 1, 2011, but no later than December 1, 2011, shall be made, constituted, and  
14 appointed by the board as a special consultant on the problems of retirement, aging, and  
15 other matters relating to retirement and shall be eligible for additional compensation. As  
16 additional compensation for such services, each special consultant shall be eligible for the  
17 years of service incentive benefit described in section 104.405. In no event shall any years  
18 of service incentive benefit described in section 104.405 be provided to any individual  
19 retiring outside the dates outlined in this section.

20 2. The state may hire employees to replace those employees retiring under this  
21 section and section 104.405, except that departments shall not fill those positions vacated  
22 using more than fifty percent of the personal service funds of the positions vacated.  
23 Exceptions to the fifty percent restriction may be made for positions which are entirely

24 **federally funded. Such determination shall be made by rule and regulation promulgated**  
25 **by the office of administration.**

26 **3. An employee making an election to retire under the provisions of this section and**  
27 **section 104.405 shall be prohibited from any employment with any department as defined**  
28 **in this chapter.**

29 **4. The governing boards of Truman State University, Lincoln University, the**  
30 **educational institutions described in section 174.020, the highway commission that governs**  
31 **the health care plans of the Missouri department of transportation and the Missouri state**  
32 **highway patrol, and the conservation commission of the department of conservation may**  
33 **elect to provide its employees or retirees who retire under this section the same benefits as**  
34 **described in this section and section 104.405.**

35 **5. Any rule or portion of a rule, as that term is defined in section 536.010, that is**  
36 **created under the authority delegated in this section shall become effective only if it**  
37 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**  
38 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**  
39 **vested with the general assembly under chapter 536 to review, to delay the effective date,**  
40 **or to disapprove and annul a rule are subsequently held unconstitutional, then the grant**  
41 **of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be**  
42 **invalid and void.**

43 **6. The Missouri state employees' retirement system shall make a report in writing**  
44 **to the commissioner of administration by December 31, 2011, regarding the number of**  
45 **state employees eligible to retire under this section and the number of actual retirements**  
46 **under this section. The commissioner of administration shall report in writing by January**  
47 **31, 2012, to the governor and the general assembly regarding the information provided by**  
48 **the Missouri state employees' retirement system and the years of service incentive benefit**  
49 **payments, including an analysis of the costs and savings as a result of such retirements, the**  
50 **amount of payroll reduced, and the number of positions that are core cut as a result of such**  
51 **retirements.**

Section B. Because immediate action is necessary to address the current fiscal crisis, the  
2 repeal and reenactment of section A of this act is deemed necessary for the immediate  
3 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an  
4 emergency act within the meaning of the constitution, and the repeal and reenactment of section  
5 A of this act shall be in full force and effect upon its passage and approval.