

SECOND REGULAR SESSION

# HOUSE BILL NO. 1600

## 96TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES WEBBER (Sponsor), STILL,  
SCHUPP AND McGEOGHEGAN (Co-sponsors).

5060L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 104.1091, RSMo, and to enact in lieu thereof one new section relating to retirement benefits for members of the general assembly.

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

Section A. Section 104.1091, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 104.1091, to read as follows:

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

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

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

(2) For members of the general assembly, the member's attainment of at least age sixty-two and the completion of at least three full biennial assemblies; **or for a person who becomes a member of the general assembly on or after January 1, 2013, the attainment of at least age sixty-seven and the completion of at least four full biennial assemblies;** or the member's attainment of at least age fifty-five with the sum of the member's age and credited service equaling at least ninety;

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.

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

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

22 4. A temporary annuity paid pursuant to subsection 4 of section 104.1024 shall be  
23 payable if the member has attained at least age fifty-five with the sum of the member's age and  
24 credited service equaling at least ninety; or in the case of a member who is serving as a  
25 uniformed member of the highway patrol and subject to the mandatory retirement provisions of  
26 section 104.081, the temporary annuity shall be payable if the member has attained at least age  
27 sixty, or at least age fifty-five with ten years of credited service.

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

33 6. The provisions of subsection 6 of section 104.1021 and section 104.344 as applied  
34 pursuant to subsection 7 of section 104.1021 and section 104.1090 shall not apply to members  
35 covered by this section.

36 7. The minimum credited service requirements of five years contained in sections  
37 104.1018, 104.1030, 104.1036, and 104.1051 shall be ten years for members covered by this  
38 section. The normal and early retirement eligibility requirements in this section shall apply for  
39 purposes of administering section 104.1087.

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

44 (1) The state of Missouri employer, pursuant to the provisions of 26 U.S.C. Section  
45 414(h)(2), shall pick up and pay the contributions that would otherwise be payable by the  
46 member under this section. The contributions so picked up shall be treated as employer  
47 contributions for purposes of determining the member's pay that is includable in the member's  
48 gross income for federal income tax purposes;

49 (2) Member contributions picked up by the employer shall be paid from the same source  
50 of funds used for the payment of pay to a member. A deduction shall be made from each  
51 member's pay equal to the amount of the member's contributions picked up by the employer.

52 This deduction, however, shall not reduce the member's pay for purposes of computing benefits  
53 under the retirement system pursuant to this chapter;

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

57 (4) The contributions, although designated as employee contributions, shall be paid by  
58 the employer in lieu of the contributions by the member. The member shall not have the option  
59 of choosing to receive the contributed amounts directly instead of having them paid by the  
60 employer to the retirement system;

61 (5) Interest shall be credited annually on June thirtieth based on the value in the account  
62 as of July first of the immediately preceding year at a rate of four percent. Interest credits shall  
63 cease upon termination of employment if the member is not a vested former member. Otherwise,  
64 interest credits shall cease upon retirement;

65 (6) A vested former member or a former member who is not vested may request a refund  
66 of his or her contributions and interest credited thereon. If such member is married at the time  
67 of such request, such request shall not be processed without consent from the spouse. Such  
68 member is not eligible to request a refund if such member's retirement benefit is subject to a  
69 division of benefit order pursuant to section 104.1051. Such refund shall be paid by the system  
70 after ninety days from the date of termination of employment or the request, whichever is later,  
71 and shall include all contributions made to any retirement plan administered by the system and  
72 interest credited thereon. A vested former member may not request a refund after such member  
73 becomes eligible for normal retirement. A vested former member or a former member who is  
74 not vested who receives a refund shall forfeit all the member's credited service and future rights  
75 to receive benefits from the system and shall not be eligible to receive any long-term disability  
76 benefits; provided that any member or vested former member receiving long-term disability  
77 benefits shall not be eligible for a refund. If such member subsequently becomes an employee  
78 and works continuously for at least one year, the credited service previously forfeited shall be  
79 restored if the member returns to the system the amount previously refunded plus interest at a  
80 rate established by the board;

81 (7) The beneficiary of any member who made contributions shall receive a refund upon  
82 the member's death equal to the amount, if any, of such contributions less any retirement benefits  
83 received by the member unless an annuity is payable to a survivor or beneficiary as a result of  
84 the member's death. In that event, the beneficiary of the survivor or beneficiary who received  
85 the annuity shall receive a refund upon the survivor's or beneficiary's death equal to the amount,  
86 if any, of the member's contributions less any annuity amounts received by the member and the  
87 survivor or beneficiary.

88           9. The employee contribution rate, the benefits provided under the year 2000 plan to  
89 members covered under this section, and any other provision of the year 2000 plan with regard  
90 to members covered under this section may be altered, amended, increased, decreased, or  
91 repealed, but only with respect to services rendered by the member after the effective date of  
92 such alteration, amendment, increase, decrease, or repeal, or, with respect to interest credits, for  
93 periods of time after the effective date of such alteration, amendment, increase, decrease, or  
94 repeal.

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

97           Option 1. A retiree's life annuity shall be reduced to a certain percent of the annuity  
98 otherwise payable. Such percent shall be eighty-eight and one half percent adjusted as follows:  
99 if the retiree's age on the annuity starting date is younger than sixty-seven years, an increase of  
100 three-tenths of one percent for each year the retiree's age is younger than age sixty-seven years;  
101 and if the beneficiary's age is younger than the retiree's age on the annuity starting date, a  
102 decrease of three-tenths of one percent for each year of age difference; and if the retiree's age is  
103 younger than the beneficiary's age on the annuity starting date, an increase of three-tenths of one  
104 percent for each year of age difference; provided, after all adjustments the option 1 percent  
105 cannot exceed ninety-four and one quarter percent. Upon the retiree's death, fifty percent of the  
106 retiree's reduced annuity shall be paid to such beneficiary who was the retiree's spouse on the  
107 annuity starting date or as otherwise provided by subsection 5 of this section.

108           Option 2. A retiree's life annuity shall be reduced to a certain percent of the annuity  
109 otherwise payable. Such percent shall be eighty-one percent adjusted as follows: if the retiree's  
110 age on the annuity starting date is younger than sixty-seven years, an increase of four-tenths of  
111 one percent for each year the retiree's age is younger than sixty-seven years; and if the  
112 beneficiary's age is younger than the retiree's age on the annuity starting date, a decrease of  
113 five-tenths of one percent for each year of age difference; and if the retiree's age is younger than  
114 the beneficiary's age on the annuity starting date, an increase of five-tenths of one percent for  
115 each year of age difference; provided, after all adjustments the option 2 percent cannot exceed  
116 eighty-seven and three quarter percent. Upon the retiree's death one hundred percent of the  
117 retiree's reduced annuity shall be paid to such beneficiary who was the retiree's spouse on the  
118 annuity starting date or as otherwise provided by subsection 5 of this section.

119           Option 3. A retiree's life annuity shall be reduced to ninety-three percent of the annuity  
120 otherwise payable. If the retiree dies before having received one hundred twenty monthly  
121 payments, the reduced annuity shall be continued for the remainder of the one hundred  
122 twenty-month period to the retiree's designated beneficiary provided that if there is no beneficiary  
123 surviving the retiree, the present value of the remaining annuity payments shall be paid as

124 provided under subsection 3 of section 104.620. If the beneficiary survives the retiree but dies  
125 before receiving the remainder of such one hundred twenty monthly payments, the present value  
126 of the remaining annuity payments shall be paid as provided under subsection 3 of section  
127 104.620.

128       Option 4. A retiree's life annuity shall be reduced to eighty-six percent of the annuity  
129 otherwise payable. If the retiree dies before having received one hundred eighty monthly  
130 payments, the reduced annuity shall be continued for the remainder of the one hundred  
131 eighty-month period to the retiree's designated beneficiary provided that if there is no beneficiary  
132 surviving the retiree, the present value of the remaining annuity payments shall be paid as  
133 provided under subsection 3 of section 104.620. If the beneficiary survives the retiree but dies  
134 before receiving the remainder of such one hundred eighty monthly payments, the present value  
135 of the remaining annuity payments shall be paid as provided under subsection 3 of section  
136 104.620.

137       11. The provisions of subsection 6 of section 104.1024 shall not apply to members  
138 covered by this section.

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