SECOND REGULAR SESSION
[PERFECTED]
SENATE SUBSTITUTE NO. 2 FOR
SENATE BILL NO. 492
96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CROWELL.
Offered March 5, 2012.
Senate Substitute No. 2 adopted, March 5, 2012.
Taken up for Perfection March 5, 2012. Bill declared Perfected and Ordered Printed.

44898-06P

TERRY L. SPIELER, Secretary.

AN ACT
To repeal sections 104.1084 and 104.1091, RSMo, and to enact in lieu thereof two new
sections relating to retirement.

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

Section A. Sections 104.1084 and 104.1091, RSMo, are repealed and two
new sections enacted in lieu thereof, to be known as sections 104.1084 and
104.1091, to read as follows:

104.1084. 1. For members of the general assembly, the provisions of this
section shall supplement or replace the indicated other provisions of the year
2000 plan. "Normal retirement eligibility" means attainment of age fifty-five for
a member who has served at least three full biennial assemblies or the
attainment of at least age fifty for a member who has served at least three full
biennial assemblies with a total of years of age and years of credited service
which is at least eighty. A member shall receive two years of credited service for
every full biennial assembly served. A full biennial assembly shall be equal to
the period of time beginning on the first day the general assembly convenes for
a first regular session until the last day of the following year. If a member serves
less than a full biennial assembly, the member shall receive credited service for
the pro rata portion of the full biennial assembly served.

2. For the purposes of section 104.1024, the normal retirement annuity
of a member of the general assembly shall be an amount for life equal to one
twenty-fourth of the monthly pay for a senator or representative on the annuity
starting date multiplied by the years of credited service as a member of the
general assembly. In no event shall any such member or eligible beneficiary
receive annuity amounts in excess of one hundred percent of pay.

3. To be covered by the provisions of section 104.1030, or section 104.1036, a member of the general assembly must have served at least three full biennial assemblies.

4. For members who are statewide elected officials, the provisions of this section shall supplement or replace the indicated other provisions of the year 2000 plan. "Normal retirement eligibility" means attainment of age fifty-five for a member who has served at least four years as a statewide elected official, or the attainment of age fifty with a total of years of age and years of such credited service which is at least eighty.

5. For the purposes of section 104.1024, the normal retirement annuity of a member who is a statewide elected official shall be an amount for life equal to one twenty-fourth of the monthly pay in the highest office held by such member on the annuity starting date multiplied by the years of credited service as a statewide elected official not to exceed twelve years.

6. To be covered by the provisions of sections 104.1030 and 104.1036, a member who is a statewide elected official must have at least four years as a statewide elected official.

7. The provisions of section 104.1045 shall not apply to persons covered by the general assembly and statewide elected official provisions of this section. Persons covered by the general assembly provisions and receiving a year 2000 plan annuity shall be entitled to a cost-of-living adjustment (COLA) when there are increases in pay for members of the general assembly. Persons covered by the statewide elected official provisions and receiving a year 2000 plan annuity shall be entitled to COLAs when there are increases in the pay for statewide elected officials in the highest office held by such person. The COLA described in this subsection shall be equal to and concurrent with the percentage increase in pay as described in section 105.005. No COLA shall be less than zero.

8. Any member who serves under this chapter as a member of the general assembly or as a statewide elected official on or after August 28, 1999, shall not be eligible to receive any retirement benefits from the system under either the closed plan or the year 2000 plan based on service rendered on or after August 28, 1999, as a member of the general assembly or as a statewide elected official if such member is convicted of a felony that is determined by a court of law to have been committed in connection with the member's duties either as a member of the general assembly or as a statewide elected official, unless such conviction
is later reversed by a court of law.

9. A member of the general assembly who has purchased or transferred creditable service shall not be subject to the cap on benefits pursuant to subsection 2 of this section for that portion of the benefit attributable to the purchased or transferred service.

10. Notwithstanding any provision of this chapter to the contrary, any member of the general assembly who first becomes a member of the general assembly on or after January 1, 2013, shall not be eligible for retirement benefits pursuant to this section. Such member of the general assembly shall be eligible for retirement coverage under this chapter from the Missouri state employees retirement system that would otherwise be applicable to a member who is not either a member of the general assembly or a statewide elected official.

11. Notwithstanding any provision of this chapter to the contrary, any statewide elected official who first becomes a statewide elected official on or after January 1, 2013, shall not be eligible for retirement benefits pursuant to this section. Such statewide elected official shall be eligible for retirement coverage under this chapter from the Missouri state employees retirement system that would otherwise be applicable to a member who is not either a member of the general assembly or a statewide elected official.

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 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;

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

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

4. A temporary annuity paid pursuant to subsection 4 of section 104.1024 shall be payable if the member has attained 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, the temporary annuity shall be payable if the member has attained at least age sixty, or at least age fifty-five with ten years of credited service.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Option 3. A retiree's life annuity shall be reduced to ninety-three percent of the annuity otherwise payable. If the retiree dies before having received one hundred twenty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred twenty-month period to the retiree's designated beneficiary provided that if there is no beneficiary surviving the retiree, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620. If the beneficiary survives the retiree but dies before receiving the remainder of such one hundred twenty monthly payments, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620.

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

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