

FIRST REGULAR SESSION

SENATE BILL NO. 404

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RIDGEWAY.

Read 1st time March 1, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

1843S.011

AN ACT

To repeal section 104.335, RSMo, and to enact in lieu thereof two new sections relating to an election to pay the present value of a deferred annuity.

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

Section A. Section 104.335, RSMo, is repealed and two new sections
2 enacted in lieu thereof, to be known as sections 104.335 and 104.1025, to read as
3 follows:

104.335. 1. Any member whose employment terminated prior to
2 September 1, 1972, and (a) who had served at least three full biennial assemblies
3 as a member of the general assembly, or (b) who was other than a member of the
4 general assembly and who had fifteen or more years of vesting service shall be
5 entitled to a deferred normal annuity based on the member's creditable service,
6 average compensation and the law in effect at the time the member's employment
7 was terminated.

8 2. (1) Any member whose employment terminated on or after September
9 1, 1972, and prior to July 1, 1981, and (a) who had served at least three full
10 biennial assemblies as a member of the general assembly, or (b) who was other
11 than a member of the general assembly and who had fifteen or more years of
12 vesting service or who had ten or more years of vesting service and was at least
13 thirty-five years of age at the date of termination of employment shall be entitled
14 to a deferred normal annuity based on the member's creditable service, average
15 compensation and the law in effect at the time the member's employment was
16 terminated.

17 (2) Any member whose employment terminated on or after July 1, 1981,
18 and (a) who had served at least three full biennial assemblies as a member of the

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

19 general assembly, or (b) who was other than a member of the general assembly
20 and who had ten or more years of vesting service at the date of termination of
21 employment shall be entitled to a deferred normal annuity based on the member's
22 creditable service, average compensation and the law in effect at the time the
23 member's employment was terminated.

24 (3) Any member whose employment terminated on or after September 1,
25 1972, and who had four or more years of vesting service as governor, lieutenant
26 governor, secretary of state, auditor, treasurer, or attorney general of this state
27 shall be entitled to a deferred normal annuity based on the member's creditable
28 service, average compensation and the law in effect at the time the member's
29 employment was terminated.

30 (4) Any member whose employment terminated on or after September 28,
31 1985, and who (a) had served less than three full biennial assemblies as a
32 member of the general assembly, and (b) has less than ten years of vesting service
33 as an employee other than a member of the general assembly shall be entitled to
34 two years of vesting service for each full biennial assembly in which the member
35 served plus an additional amount of vesting service for each partial biennial
36 assembly served, which amount shall be equal to the pro rata portion of the
37 biennial assembly so served. The total amount of vesting service provided for in
38 this subdivision shall be used to calculate the deferred normal annuity or
39 deferred partial annuity to which such member is entitled based on the member's
40 creditable service, which includes all service designated as vesting service under
41 this subdivision, the member's average compensation, and the law in effect at the
42 time the member's employment was terminated.

43 3. Any member whose employment terminated on or after October 1, 1984,
44 but before September 28, 1992, and who was other than a member of the general
45 assembly and who has five or more years of vesting service as an employee at the
46 date of termination of employment shall be entitled to a deferred partial annuity
47 based on the member's creditable service, average compensation, and the law in
48 effect at the time the member's employment was terminated, in the following
49 amounts:

50 (1) An employee with at least five years of vesting service, but less than
51 six years, is entitled to fifty percent of the amount payable as a deferred normal
52 annuity;

53 (2) An employee with six years of vesting service, but less than seven
54 years, is entitled to sixty percent of the amount payable as a deferred normal

55 annuity;

56 (3) An employee with seven years of vesting service, but less than eight
57 years, is entitled to seventy percent of the amount payable as a deferred normal
58 annuity;

59 (4) An employee with eight years of vesting service, but less than nine
60 years, is entitled to eighty percent of the amount payable as a deferred normal
61 annuity;

62 (5) An employee with nine years of vesting service, but less than ten
63 years, is entitled to ninety percent of the amount payable as a deferred normal
64 annuity.

65 4. Any member whose employment terminated on or after September 28,
66 1992, and who was other than a member of the general assembly and who has
67 five or more years of vesting service as an employee at the date of termination of
68 employment shall be entitled to a deferred normal annuity based on the member's
69 creditable service, average compensation, and the law in effect at the time the
70 member's employment was terminated.

71 5. Any member who is entitled to a deferred normal annuity as provided
72 in subsection 1, 2, 3, or 4 of this section and who reenters the service of a
73 department and again becomes a member of the system shall have the member's
74 prior period of vesting service combined with the member's current membership
75 service, so that any benefits that may become payable under this system by
76 reason of the member's retirement or subsequent withdrawal will recognize such
77 prior period of vesting service.

78 6. [(1)] A vested member[, an administrative law judge or legal advisor
79 as defined in section 287.812, or a judge as defined in section 476.515,] who has
80 terminated all employment with the state of Missouri [for a period of six months
81 or longer,] **and who was employed in a position designated in subsection**
82 **2 of section 104.1025 on the date employment terminates** may make a
83 one-time election for the system to pay the present value of a deferred annuity [or
84 a benefit as defined in section 287.812 or section 476.515 if the amount of such
85 terminated member's or person's creditable service is less than ten years, and if
86 such terminated member or person is not within five years of eligibility for
87 receiving an annuity or benefit]. Any such **designated** member[, administrative
88 law judge, legal advisor or judge] who terminates employment on or after August
89 28, [1997] **2011**, shall be eligible for the one-time election provided for in this
90 subsection [only if the present value of the deferred annuity does not exceed ten

91 thousand dollars]. The present value shall be actuarially determined by the
92 system. [Except as provided in subdivision (2) of this subsection, any payment
93 so made shall be a complete discharge of the existing liability of the system with
94 respect to such terminated member or person.

95 (2) Upon subsequent employment in a position covered under a system
96 administered by the Missouri state employees' retirement system, the employee,
97 administrative law judge or judge may elect, within one year of such employment,
98 to purchase creditable service equal to the amount of creditable service
99 surrendered due to a payment as specified in this subsection. The cost of such
100 purchase shall be actuarially determined by the system, and shall be paid over
101 a period of not longer than two years from the date of election, with interest on
102 the unpaid balance.

103 (3) Persons described in subdivision (1) of this subsection who terminate
104 employment on or after September 1, 2002, shall no longer be eligible to make the
105 election described in subdivision (1) of this subsection] **Any such designated**
106 **member who chooses the one-time election provided for in this section**
107 **shall forfeit, waive, and relinquish all accrued rights in the system,**
108 **including any accrued creditable service, which shall result in a**
109 **complete discharge of the existing liability of the system with respect**
110 **to such terminated member or person. Nothing in this section shall be**
111 **construed to affect a member's health care benefits as provided under**
112 **chapter 103.**

113 7. Any individual, covered by a retirement plan identified in this chapter,
114 chapter 287 or chapter 476 who terminated employment prior to August 28, 1993,
115 shall, upon application to the board of trustees of the Missouri state employees'
116 retirement system, be made, constituted and appointed and employed by the
117 board as a special consultant on the problems of retirement, aging and other state
118 matters for the remainder of the person's life. Upon request of the board or the
119 court from which the person retired, the consultant shall give opinions or be
120 available to give opinions in writing or orally in response to such requests. As
121 compensation for such services, the consultant shall be eligible to purchase or
122 transfer, prior to retirement, creditable service as set forth in section 105.691.

104.1025. 1. A vested member who has terminated all
2 **employment with the state of Missouri and who was employed in a**
3 **position designated in subsection 2 of this section on the date**
4 **employment terminates may make a one-time election for the system to**

5 pay the present value of a deferred annuity. The present value shall be
6 actuarially determined by the system. Any member who chooses the
7 one-time election provided for in this section shall forfeit, waive, and
8 relinquish all accrued rights in the system, including any accrued
9 creditable service, which shall result in a complete discharge of the
10 existing liability of the system with respect to such terminated member
11 or person. Nothing in this section shall be construed to affect a
12 member's health care benefits as provided under chapter 103 or section
13 104.270.

14 2. The provisions of this section shall apply to a vested member
15 who terminates employment on or after August 28, 2011, and who was
16 employed on the date employment terminates as a departmental
17 director, a division director, a principal assistant designated by a
18 departmental director, a division director, or a board or commission,
19 an attorney, an administrative head of a state medical, penal, or
20 correction institute, a deputy or other policy-making assistant to the
21 exempt head of a division of service, a special assistant as designated
22 by an appointing authority, an elected official, or a member of the
23 general assembly.

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