

SECOND REGULAR SESSION

# SENATE BILL NO. 1065

98TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR CURLS.

Read 1st time February 17, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6567S.011

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## AN ACT

To repeal sections 104.081 and 104.1091, RSMo, and to enact in lieu thereof two new sections relating to the retirement age of the uniformed members of the highway patrol.

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

Section A. Sections 104.081 and 104.1091, RSMo, are repealed and two  
2 new sections enacted in lieu thereof, to be known as sections 104.081 and  
3 104.1091, to read as follows:

104.081. Notwithstanding any other provision of law to the contrary, any  
2 uniformed member of the highway patrol may retire at age fifty-five with four  
3 years of creditable service with a normal annuity and shall retire at age [sixty]  
4 **sixty-five**.

104.1091. 1. Notwithstanding any provision of the year 2000 plan to the  
2 contrary, each person who first becomes an employee on or after January 1, 2011,  
3 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:

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

13 (2) For members of the general assembly, the member's attainment of at

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

14 least age sixty-two and the completion of at least three full biennial assemblies;  
15 or the member's attainment of at least age fifty-five with the sum of the member's  
16 age and credited service equaling at least ninety;

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

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

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

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

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

40 7. The minimum credited service requirements of five years contained in  
41 sections 104.1018, 104.1030, 104.1036, and 104.1051 shall be ten years for  
42 members covered by this section. The normal and early retirement eligibility  
43 requirements in this section shall apply for purposes of administering section  
44 104.1087.

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

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

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

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

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

70 (5) Interest shall be credited annually on June thirtieth based on the  
71 value in the account as of July first of the immediately preceding year at a rate  
72 of four percent. Effective June 30, 2014, and each June thirtieth thereafter, the  
73 interest crediting rate shall be equal to the investment rate that is published by  
74 the United States Department of Treasury, or its successor agency, for fifty-two  
75 week treasury bills for the relevant auction that is nearest to the preceding July  
76 first, or a successor treasury bill investment rate as approved by the board if the  
77 fifty-two week treasury bill is no longer issued. Interest credits shall cease upon  
78 termination of employment if the member is not a vested former  
79 member. Otherwise, interest credits shall cease upon retirement or death;

80 (6) A vested former member or a former member who is not vested may  
81 request a refund of his or her contributions and interest credited thereon. If such  
82 member is married at the time of such request, such request shall not be  
83 processed without consent from the spouse. Such member is not eligible to  
84 request a refund if such member's retirement benefit is subject to a division of  
85 benefit order pursuant to section 104.1051. Such refund shall be paid by the

86 system after ninety days from the date of termination of employment or the  
87 request, whichever is later, and shall include all contributions made to any  
88 retirement plan administered by the system and interest credited thereon. A  
89 vested former member may not request a refund after such member becomes  
90 eligible for normal retirement. A vested former member or a former member who  
91 is not vested who receives a refund shall forfeit all the member's credited service  
92 and future rights to receive benefits from the system and shall not be eligible to  
93 receive any long-term disability benefits; provided that any member or vested  
94 former member receiving long-term disability benefits shall not be eligible for a  
95 refund. If such member subsequently becomes an employee and works  
96 continuously for at least one year, the credited service previously forfeited shall  
97 be restored if the member returns to the system the amount previously refunded  
98 plus interest at a rate established by the board;

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

107 9. The employee contribution rate, the benefits provided under the year  
108 2000 plan to members covered under this section, and any other provision of the  
109 year 2000 plan with regard to members covered under this section may be  
110 altered, amended, increased, decreased, or repealed, but only with respect to  
111 services rendered by the member after the effective date of such alteration,  
112 amendment, increase, decrease, or repeal, or, with respect to interest credits, for  
113 periods of time after the effective date of such alteration, amendment, increase,  
114 decrease, or repeal.

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

117 Option 1. A retiree's life annuity shall be reduced to a certain percent of  
118 the annuity otherwise payable. Such percent shall be eighty-eight and one half  
119 percent adjusted as follows: if the retiree's age on the annuity starting date is  
120 younger than sixty-seven years, an increase of three-tenths of one percent for  
121 each year the retiree's age is younger than age sixty-seven years; and if the

122 beneficiary's age is younger than the retiree's age on the annuity starting date,  
123 a decrease of three-tenths of one percent for each year of age difference; and if the  
124 retiree's age is younger than the beneficiary's age on the annuity starting date,  
125 an increase of three-tenths of one percent for each year of age difference;  
126 provided, after all adjustments the option 1 percent cannot exceed ninety-four and  
127 one quarter percent. Upon the retiree's death, fifty percent of the retiree's  
128 reduced annuity shall be paid to such beneficiary who was the retiree's spouse on  
129 the annuity starting date or as otherwise provided by subsection 5 of this section.

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

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

153       Option 4. A retiree's life annuity shall be reduced to eighty-six percent of  
154 the annuity otherwise payable. If the retiree dies before having received one  
155 hundred eighty monthly payments, the reduced annuity shall be continued for the  
156 remainder of the one hundred eighty-month period to the retiree's designated  
157 beneficiary provided that if there is no beneficiary surviving the retiree, the

158 present value of the remaining annuity payments shall be paid as provided under  
159 subsection 3 of section 104.620. If the beneficiary survives the retiree but dies  
160 before receiving the remainder of such one hundred eighty monthly payments, the  
161 present value of the remaining annuity payments shall be paid as provided under  
162 subsection 3 of section 104.620.

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

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Bill

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