

SECOND REGULAR SESSION

SENATE BILL NO. 768

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ONDER.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3340S.01I

AN ACT

To repeal section 70.705, RSMo, and to enact in lieu thereof one new section relating to member contribution amounts for the Missouri local government employees' retirement system.

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

Section A. Section 70.705, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 70.705, to read as follows:

70.705. 1. The "Members Deposit Fund" is hereby created. It shall be the fund in which shall be accumulated the contributions made by members to the system, and from which shall be made transfers and refunds of members' contributions as provided in sections 70.600 to 70.755.

2. Except as provided otherwise in this section, the contributions of a member to the system shall be four percent of his compensations after the date he has completed sufficient employment for six months of credited service. Such contributions shall be made notwithstanding that the minimum salary or wages provided by law for any member shall thereby be changed. Each member shall be deemed to consent and agree to the deductions made and provided for herein. Payment of a member's compensation less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for services rendered by him to a political subdivision, except as to benefits provided by this system.

3. The officer or officers responsible for making up the payrolls for each political subdivision shall cause the contributions provided for in this section to be deducted from the compensation of each member in the employ of the political subdivision, on each and every payroll, for each and every payroll period after the date he has completed sufficient employment for six months of credited service

20 to the date his membership terminates. When deducted, each of these amounts
21 shall be paid by the political subdivision to the system; the payments shall be
22 made in the manner and shall be accompanied by such supporting data as the
23 board shall from time to time prescribe. When paid to the system, each of the
24 amounts shall be credited to the members deposit fund account of the member
25 from whose compensations the contributions were deducted.

26 4. In addition to the contributions deducted from the compensations of a
27 member, as heretofore provided, a member shall deposit in the members deposit
28 fund, by a single contribution or by an increased rate of contributions, as
29 approved by the board, the amount or amounts he may have withdrawn therefrom
30 and not repaid thereto, together with regular interest from the date of withdrawal
31 to the date of repayment. In no case shall a member be given credit for service
32 rendered prior to the date he withdrew his accumulated contributions until he
33 returns to the members deposit fund all amounts due the fund by him.

34 5. Upon the retirement of a member, or upon his death if an allowance
35 becomes payable on account of his death, his accumulated contributions shall be
36 transferred to the benefit reserve fund.

37 6. Each political subdivision, by majority vote of its governing body, may
38 elect with respect to its members **an alternate contribution amount of two**
39 **percent or six percent of compensation, or** to eliminate future member
40 contributions otherwise provided for in this section. The clerk or secretary of the
41 political subdivision shall certify the election concerning member contributions
42 to the board within ten days after such vote. The effective date of the political
43 subdivision's member contribution election is the first day of the calendar month
44 specified by such governing body, or the first day of the calendar month next
45 following receipt by the board of the certification of such election, or the effective
46 date of the political subdivision's becoming an employer, whichever is the
47 latest. Such election concerning member contributions may be changed from time
48 to time by such vote, but not more often than once in two years. Except as
49 provided in section 70.707, if such election is to eliminate member contributions,
50 then such election shall apply only to future member compensations and shall not
51 change the status of any member contributions made before such election. If the
52 effect of such election is to require member contributions, then such election shall
53 apply only to future member compensations and shall not change any member
54 contribution requirements existing before such election. Should an employer
55 change its member contribution requirements as provided in this section, the

56 employer contribution requirements shall be correspondingly changed effective
57 the same date as the member contribution change. The limitation on increases
58 in an employer's contribution provided by subsection 6 of section 70.730 shall not
59 apply to any contribution increase resulting from an employer electing to
60 eliminate member contributions.

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