

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 410**  
90TH GENERAL ASSEMBLY

Reported from the Committee on Retirement, April 8, 1999, with recommendation that the House Committee Substitute for Senate Bill No. 410 Do Pass by Consent.

ANNE C. WALKER, Chief Clerk

L1854.03C

**AN ACT**

To repeal sections 70.600 and 70.686, RSMo 1994, relating to retirement benefits for officers and employees of political subdivisions, and to enact in lieu thereof two new sections relating to the same subject.

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

Section A. Sections 70.600 and 70.686, RSMo 1994, are repealed and two new sections enacted in lieu thereof, to be known as sections 70.600 and 70.686, to read as follows:

70.600. The following words and phrases as used in sections 70.600 to 70.755, unless a different meaning is plainly required by the context, shall mean:

(1) "Accumulated contributions", the total of all amounts deducted from the compensations of a member and standing to [his] **the member's** credit in his **or her** individual account in the members deposit fund, together with investment credits thereon;

(2) "Actuarial equivalent", a benefit of equal reserve value;

(3) "Allowance", the total of the annuity and the pension. All allowances shall be paid not later than the tenth day of each calendar month;

(4) "Annuity", a monthly amount derived from the accumulated contributions of a member and payable by the system throughout the life of a person or for a temporary period;

(5) "Beneficiary", any person who is receiving or designated to receive a system benefit, except a retiree;

(6) "Benefit program", a schedule of benefits or benefit formulas from which the amounts of system benefits can be determined;

(7) "Board of trustees" or "board", the board of trustees of the system;

(8) "Compensation", the remuneration paid an employee by a political subdivision or by an elected fee official of the political subdivision for personal services rendered by the employee for the political subdivision or for the elected fee official in [his] **the employee's** public capacity; provided, that for an elected fee official, "compensation" means that portion of his **or her** fees which is net after deduction of (a) compensation paid by [him] **such elected fee official** to his **or her** office employees, if any, and (b) the ordinary and necessary expenses paid by [him] **such elected fee official** and attributable to the operation of his **or her** office. In cases where an employee's compensation is not all paid in money, the political subdivision shall fix the reasonable value of [his] **the employee's**

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

compensation not paid in money. In determining compensation no consideration shall be given to:

- (a) Any nonrecurring single sum payment paid by an employer;
- (b) Employer contributions to any employee benefit plan or trust;
- (c) Any other unusual or nonrecurring remuneration; or

(d) Compensation in excess of the limitations set forth in Internal Revenue Code section 401(a)(17). The limitation on compensation for eligible employees shall not be less than the amount which was allowed to be taken into account under the system as in effect on July 1, 1993. For purposes of this paragraph, an "eligible employee" is an individual who was a member of the system before the first plan year beginning after December 31, 1995;

(9) "Credited service", the total of a member's prior service and membership service, to the extent such service is standing to [his] **the member's** credit as provided in sections 70.600 to 70.755;

(10) "Employee", any person regularly employed by a political subdivision who receives compensation from the political subdivision for personal services rendered the political subdivision, including any elected official of the political subdivision whose position requires his **or her** regular personal services and who is compensated wholly or in part on a fee basis, and including the employees of such elected fee officials who may be compensated by such elected fee officials. The term "employee" may include any elected county official. The term "employee" shall not include any person:

(a) Who is not an elected official of the political subdivision and who is included as an active member in any other plan similar in purpose to this system by reason of his **or her** employment with his **or her** political subdivision, except the federal Social Security Old Age, Survivors, and Disability Insurance Program, as amended; or

(b) Who acts for the political subdivision under contract; or

(c) Who is paid wholly on a fee basis, except elected officials and their employees; or

(d) Who holds the position of mayor, presiding judge, president or chairman of the political subdivision or is a member of the governing body of the political subdivision; except that, such an official of a political subdivision having ten or more other employees may become a member if [he] **the official** is covered under the federal Social Security Old Age, Survivors, and Disability Insurance Program, as amended, by reason of [his] **such official's** employment with his **or her** political subdivision, by filing written application for membership with the board [within six months] after the date [he] **the official** qualifies for such position or within thirty days after the date his **or her** political subdivision becomes an employer, whichever date is later;

(11) "Employer", any political subdivision which has elected to have all its eligible employees covered by the system;

(12) "Final average salary", the monthly average of the compensations paid an employee during the period of sixty or, if an election has been made in accordance with section 70.656, thirty-six consecutive months of credited service producing the highest monthly average, which period is contained within the period of one hundred twenty consecutive months of credited service immediately preceding his **or her** termination of membership. Should a member have less than sixty or, if an election has been made in accordance with section 70.656, thirty-six months of credited service, "final average salary" means the monthly average of compensation paid [him] **the member** during his **or her** total months of credited service;

(13) "Fireman", any regular or permanent employee of the fire department of a political subdivision, including a probationary fireman. The term "fireman" shall not include:

- (a) Any volunteer fireman; or

- (b) Any civilian employee of a fire department; or
- (c) Any person temporarily employed as a fireman for an emergency;
- (14) "Member", any employee included in the membership of the system;
- (15) "Membership service", employment as an employee with the political subdivision from and after the date such political subdivision becomes an employer, which employment is creditable as service hereunder;
- (16) "Minimum service retirement age", age sixty for a member who is neither a policeman nor a fireman; "minimum service retirement age", age fifty-five for a member who is a policeman or a fireman;
- (17) "Pension", a monthly amount derived from contributions of an employer and payable by the system throughout the life of a person or for a temporary period;
- (18) "Policeman", any regular or permanent employee of the police department of a political subdivision, including a probationary policeman. The term "policeman" shall not include:
  - (a) Any civilian employee of a police department; or
  - (b) Any person temporarily employed as a policeman for an emergency;
- (19) "Political subdivision", any governmental subdivision of this state created pursuant to the laws of this state, and having the power to tax, except public school districts; a board of utilities or a board of public works which is required by charter or ordinance to establish the compensation of employees of the utility separate from the compensation of other employees of the city may be considered a political subdivision for purposes of sections 70.600 to 70.755; a joint municipal utility commission may be considered a political subdivision for purposes of sections 70.600 to 70.755;
- (20) "Prior service", employment as an employee with the political subdivision prior to the date such political subdivision becomes an employer, which employment is creditable as service hereunder;
- (21) "Regular interest" or "investment credits", such reasonable rate or rates per annum, compounded annually, as the board shall adopt annually;
- (22) "Reserve", the present value of all payments to be made on account of any system benefit based upon such tables of experience and regular interest as the board shall adopt from time to time;
- (23) "Retirant", a former member receiving a system allowance by reason of having been a member;
- (24) "Retirement system" or "system", the Missouri local government employees' retirement system.

70.686. If a retirant becomes employed in a position covered by the system, [he] **such retirant** shall forfeit one monthly allowance payment for each calendar month in which [he] **the retirant** renders any such employment[. During such employment, a retirant shall not accrue additional credited service nor shall he contribute to the system]; **except that, the retirant shall be considered a reemployed member with contributions due immediately in accordance with sections 70.705 and 70.710. Such period of reemployment shall be for a minimum of one year of continuous membership service before the retirant shall receive any additional allowance. Any reemployed retirant who has one or more years of membership service after reemployment and later retires shall receive an additional allowance calculated to include only the membership service and the average compensation earned by the member since reemployment, if such employment is less than the period described in section 70.656. In either event, the original allowance and the additional allowance, shall become effective after making**

application in accordance with section 70.645. If the retirant retired pursuant to section 70.680, the provisions of section 70.680 shall apply.

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