

FIRST REGULAR SESSION

HOUSE BILL NO. 426

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE O'TOOLE.

Read 1st time January 18, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

1312L.011

AN ACT

To repeal section 104.1024, RSMo 2000, relating to public retirement systems and benefits, 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Section A. Section 104.1024, RSMo 2000, is repealed and two new sections enacted in lieu thereof, to be known as sections 104.625 and 104.1024, to read as follows:

104.625. Any member retiring pursuant to the provisions of sections 104.010 to 104.801, except an elected official or a member of the general assembly, who has not been paid retirement benefits and continues employment for at least two years beyond normal retirement age, may elect to receive an annuity and lump sum payment or payments, determined as follows:

(1) A retroactive starting date shall be established which shall be the later of the date when a normal annuity would have first been payable had the member retired at that time or five years before the annuity starting date, which shall be the first day of the month with respect to which an amount is paid as annuity pursuant to this section;

(2) The prospective annuity payable as of the annuity starting date shall be determined pursuant to the provisions otherwise applicable under the law, with the exception that it shall be the amount which would have been payable had the member actually retired on the retroactive starting date. Other than for the lump sum payment or payments specified in subdivision (3) of this section, no other amount shall be due for the period between the retroactive starting date and the annuity starting date; and

(3) The lump sum payable shall be ninety percent of the annuity amounts which would have been paid to the member from the retroactive starting date to the annuity starting date had the member actually retired on the retroactive starting date. The lump

19 **sum shall include an earned interest amount for each full year from the retroactive starting**
20 **date to the annuity starting date based on the rate of return for the previous year earned**
21 **by the system's investment portfolio based on a market value basis, including realized and**
22 **unrealized gains and losses, net of investment expense, as certified by the system's actuary.**
23 **In no event shall the rate of interest paid be less than zero. The member shall elect to**
24 **receive the lump sum amount either in its entirety at the same time as the initial annuity**
25 **payment is made or in three equal annual installments with the first payment made at the**
26 **same time as the initial annuity payment.**

104.1024. 1. Any member who terminates employment may retire on or after attaining
2 normal retirement eligibility by making application in written form and manner approved by the
3 appropriate board. The written application shall set forth the annuity starting date which shall
4 be not less than thirty days nor more than ninety days subsequent to the execution and filing of
5 the member's application for retirement.

2. A member's annuity shall be paid in the form of a life annuity, except as provided in
7 section 104.1027, and shall be an amount for life equal to one and seven-tenths percent of the
8 final average pay of the member multiplied by the member's years of credited service.

3. The life annuity defined in subsection 2 of this section shall not be less than a monthly
10 amount equal to fifteen dollars multiplied by the member's full years of credited service.

4. If as of the annuity starting date of a member who has attained normal retirement
12 eligibility the sum of the member's years of age and years of credited service equals eighty or
13 more years and if the member's age is at least fifty years but less than sixty-two years, or, in the
14 case of a member of the highway patrol who shall be subject to the mandatory retirement
15 provision of section 104.080, the mandatory retirement age and completion of five years of
16 credited service, then in addition to the life annuity described in subsection 2 of this section, the
17 member shall receive a temporary annuity equal to eight-tenths of one percent of the member's
18 final average pay multiplied by the member's years of credited service. The temporary annuity
19 and any cost-of-living adjustments attributable to the temporary annuity pursuant to section
20 104.1045 shall terminate at the end of the calendar month in which the earlier of the following
21 events occurs: the member's death or the member's attainment of the earliest age of eligibility
22 for reduced Social Security retirement benefits.

5. The annuity described in subsection 2 of this section for any person who has credited
24 service not covered by the federal Social Security Act, as provided in sections 105.300 to
25 105.445, RSMo, shall be calculated as follows: the life annuity shall be an amount equal to two
26 and five-tenths percent of the final average pay of the member multiplied by the number of years
27 of service not covered by the federal Social Security Act in addition to one and seven-tenths
28 percent of the final average pay of the member multiplied by the member's years of credited

29 service covered by the federal Social Security Act.

30 **6. Any member, except an elected official or a member of the general assembly, who**
31 **has not been paid retirement benefits and continues employment for at least two years**
32 **beyond the date of normal retirement eligibility, may elect to receive an annuity and lump**
33 **sum payment or payments, determined as follows:**

34 **(1) A retroactive starting date shall be established which shall be the later of the**
35 **first day of retirement eligibility or five years before the annuity starting date;**

36 **(2) The prospective annuity payable as of the annuity starting date shall be**
37 **determined pursuant to the provisions of this section, with the exception that it shall be the**
38 **amount which would have been payable at the annuity starting date had the member**
39 **actually retired on the retroactive starting date. Other than for the lump sum payment or**
40 **payments specified in subdivision (3) of this subsection, no other amount shall be due for**
41 **the period between the retroactive starting date and the annuity starting date; and**

42 **(3) The lump sum payable shall be ninety percent of the annuity amounts which**
43 **would have been paid to the member from the retroactive starting date to the annuity**
44 **starting date had the member actually retired on the retroactive starting date. The lump**
45 **sum shall include an earned interest amount for each full year from the retroactive starting**
46 **date to the annuity starting date based on the rate of return for the previous year earned**
47 **by the system's investment portfolio based on a market value basis, including realized and**
48 **unrealized gains and losses, net of investment expense, as certified by the system's actuary.**
49 **In no event shall the rate of interest paid be less than zero. The member shall elect to**
50 **receive the lump sum amount either in its entirety at the same time as the initial annuity**
51 **payment is made or in three equal annual installments with the first payment made at the**
52 **same time as the initial annuity payment.**