

FIRST REGULAR SESSION

# HOUSE BILL NO. 583

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE SMITH (118).

Read 1<sup>st</sup> time February 27, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1988L.011

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### AN ACT

To amend chapters 103 and 104, RSMo, by adding thereto two new sections relating to incentive plans for employees and retirees, with an emergency clause.

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

Section A. Chapters 103 and 104, RSMo, are amended by adding thereto two new sections, to be known as sections 103.120 and 104.627, to read as follows:

**103.120. 1. Any state employee or retiree who retires pursuant to section 104.627, RSMo, and is also eligible for medical coverage as described in section 103.115, shall be eligible to have the following provisions apply to such coverage:**

**(1) Such retiree may elect to continue coverage for himself or herself and any eligible dependents at the same cost as if such retiree was an active employee;**

**(2) Such retiree may continue to pay the applicable rate as if the retiree were an active employee until such retiree becomes eligible for Medicare or reaches age sixty-five;**

**(3) Upon becoming eligible for Medicare or reaches age sixty-five, the cost for medical coverage for such retiree and any dependents shall revert to the applicable rate in place at that time; and**

**(4) Any additional years of service credited to such retiree's annuity pursuant to section 104.627, RSMo, shall also be applicable, as appropriate, to the cost of medical coverage after becoming eligible for Medicare or reaches age sixty-five.**

**2. Any employee or retiree of a participating member agency who retires pursuant to section 104.627, RSMo, shall only be eligible to have the provisions of subsection 1 of this section applied to his or her coverage if the governing body of the participating member agency elects to provide such benefits.**

**3. The governing boards of Truman State University, Lincoln University, and the**

19 educational institutions described in section 174.020, RSMo, the Missouri department of  
20 transportation and the Missouri state highway patrol, and the conservation commission  
21 of the department of conservation may elect to provide its employees or retirees who retire  
22 pursuant to section 104.627, RSMo, the same benefits as described in subsection 1 of this  
23 section under the respective medical plans of those institutions and departments.

104.627. 1. An employee who has not been a retiree of the system in which such  
2 employee is currently receiving creditable or credited service, who is eligible to receive a  
3 normal annuity under section 104.080, 104.090, 104.100, 104.271, or 104.400 or a life and  
4 any temporary annuity under section 104.1024 and who elects to apply for retirement  
5 pursuant to this section shall, for purposes of calculating a normal annuity under section  
6 104.080, 104.090, 104.100, 104.271, or 104.400 or a life and any temporary annuity  
7 pursuant to section 104.1024 receive four additional years of creditable or credited service.  
8 An employee may elect to retire pursuant to this section if the employee has been employed  
9 continuously for at least one year on and immediately prior to the effective date of this  
10 section. A retiree described in subdivision (5) of this subsection may retire pursuant to this  
11 section. Such employee or retiree shall be subject to the following limitations:

12 (1) An employee shall not elect to retire pursuant to this section unless the  
13 employee's annuity payments will commence prior to January 1, 2004;

14 (2) A retiree shall not elect to retire pursuant to this section unless the retiree has  
15 elected to be a special consultant pursuant to subdivision (5) of this subsection prior to  
16 January 1, 2004;

17 (3) This section shall not apply to any early retirement annuity;

18 (4) An employee who is a member of the general assembly or a statewide elected  
19 official shall not elect to retire pursuant to this section;

20 (5) A retiree shall be eligible to receive retirement benefits pursuant to this section  
21 if the retiree:

22 (a) Is not receiving retirement benefits pursuant to section 104.370 or 104.371;

23 (b) Terminated employment and within thirty days of such termination retired  
24 effective on or after February 1, 2003; and

25 (c) Has elected or does elect to be made, constituted, appointed and employed by  
26 the board as a special consultant on the problems of retirement, aging, and other state  
27 matters for compensation and for the remainder of the person's life, and upon request of  
28 the board, give opinions, and be available to give opinions in writing, or orally, in response  
29 to such requests.

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31 The system shall recalculate the retiree's annuity in accordance with this section and shall

32 **make a lump sum payment so that the retiree receives an amount equal to the amount the**  
33 **retiree would have received had the retiree originally received retirement benefits pursuant**  
34 **to this section on the retiree's annuity starting date; and**

35 **(6) An employee who retires pursuant to this section may elect to receive an annuity**  
36 **and lump sum payment under section 104.625 or 104.1024, if the employee otherwise would**  
37 **have been eligible to elect such annuity and lump sum payment without regard to this**  
38 **section; except that:**

39 **(a) The amount of the lump sum payment the employee shall receive shall be the**  
40 **same amount the employee would have received pursuant to section 104.625 or 104.1024**  
41 **without regard to this section; and**

42 **(b) The amount of the prospective annuity shall be calculated so that the employee**  
43 **receives four additional years of creditable or credited service as provided by this section.**

44 **2. The Missouri state employees' retirement system and the highways and**  
45 **transportation employees' and highway patrol retirement system shall make a report in**  
46 **writing to the governor, commissioner of administration, and the general assembly on**  
47 **February 1, 2004, of the effect of state employee retirements pursuant to this section. The**  
48 **report shall cover the time period of February 1, 2003, to January 1, 2004. The report shall**  
49 **include the number of such retirements, the amount of payroll affected as a result of**  
50 **retirements, and the financial effect of such retirements as expressed in a report by each**  
51 **system's actuary.**

52 **3. The office of administration shall make a report in writing to the governor and**  
53 **the general assembly on February 1, 2004, of the budgetary effect of state employee**  
54 **retirements pursuant to this section. The report shall include the amount of payroll**  
55 **reduced as a result of such retirements, the number of positions that will be core cut as a**  
56 **result of such retirements, the number of employees employed to replace those who retired**  
57 **pursuant to this section, and the financial effect on the budget, including any costs**  
58 **associated with payment of medical premiums by the state.**

Section B. Because immediate action is necessary in order to address state budget issues,  
2 section A of this act is deemed necessary for the immediate preservation of public health,  
3 welfare, peace and safety, and an emergency exists within the meaning of the constitution, and  
4 section A of this act shall become effective the first of the month immediately following final  
5 passage and approval by the governor.