

HCS HB 348 & 347 -- LOCAL GOVERNMENT EMPLOYEES' RETIREMENT
(Dempsey)

This substitute revises the optional retirement allowance and beneficiary election provision of the Missouri Local Government Employees' Retirement System (LAGERS).

The substitute allows retirees to elect to receive their allowance with or without a lump-sum distribution. The partial lump-sum distribution will equal 24 times the amount of the retiree's monthly allowance, excluding any temporary allowance which may be payable. The process for applying for the lump-sum distribution is contained in the substitute.

If a retiree elects the partial lump-sum distribution, a retiree's monthly allowance will be adjusted according to age at retirement. The substitute also requires that the adjustment in the monthly allowance be applied before additional reductions are calculated based on the selection of a beneficiary option contained in the substitute.

The substitute also requires that if a beneficiary dies before a retiree, the optional plan selected by the retiree at the time of retirement will terminate.

In addition, if a retiree of LAGERS becomes re-employed in a covered position, the retiree is subject to a monthly allowance forfeiture for each calendar year employed. A retiree must also continue to make contributions to LAGERS and is considered a re-employed member.

The substitute entitles retirees to continue to receive their retirement allowance from LAGERS if they are not currently receiving a retirement benefit from a political subdivision resulting from employment in a position covered by LAGERS.

FISCAL NOTE: No impact on state funds.