HB 583 -- State Employees’ Retirement Incentives

Sponsor: Smith (118)

This bill contains provisions pertaining to medical insurance and retirement incentives for state employees who are members of the Highways and Transportation Employees’ and Highway Patrol Retirement System (HTEHPRS), the Missouri State Employees’ Retirement System (MOSERS), or the Missouri State Employees’ Retirement System, Year 2000 Plan (MSEP 2000). Members of each system must retire prior to January 1, 2004, and be eligible for medical coverage under the Missouri Consolidated Health Care Plan.

In its main provisions, the bill:

(1) Allows any retiree to elect to continue medical coverage at the same costs as if the retiree were an active employee until the retiree is eligible for Medicare or reaches 65 years of age;

(2) Requires the costs for medical coverage for eligible retirees to revert to the applicable rate when the retiree becomes eligible for Medicare or reaches 65 years of age;

(3) Requires any additional years of service credited to a retiree’s annuity to be applicable to the costs of medical coverage after the retiree becomes eligible for Medicare or reaches 65 years of age;

(4) Requires the governing body of any participating member agency to elect to provide the medical coverage incentive contained in the bill in order for employees or retirees to be eligible to apply the incentive to their current coverage;

(5) Allows the governing boards of Truman State University, Lincoln University, state colleges listed in Section 174.020, RSMo, the Department of Transportation, the State Highway Patrol, and the Department of Conservation to elect to provide their employees or retirees the same incentive for medical coverage as are available under the bill;

(6) Allows current employees who elect to retire and who are eligible to receive a normal annuity under HTEHPRS or MOSERS, or a life and any temporary annuity under MSEP 2000, to receive four years of additional credit service. This election requires an active employment status of one year, and the employment must be immediately prior to the effective date of the bill. In addition, certain limitations will apply for employees who elect to retire;

(7) Requires the re-calculation of a retiree's annuity and the provision of a lump-sum payment to a retiree. An employee may elect to receive an annuity or lump-sum payment. The lump-sum payment amount is subject to additional requirements;

(8) Requires MOSERS and HTEHPRS to submit a written report to the Governor, the Commissioner of Administration, and the General Assembly by February 1, 2004. The report must examine required subject areas and the effects of the incentive provisions contained in the bill. The period the report must cover is February 1, 2003, to January 1, 2004; and

(9) Requires the Office of Administration to submit a budgetary report concerning the effects of the incentive provisions contained in the bill. The subject areas the report must address are also contained in the bill.

The bill contains an emergency clause.