

CONFERENCE COMMITTEE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 1

AN ACT

To amend chapters 104 and 476, RSMo, by adding thereto three new sections relating to retirement.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Chapters 104 and 476, RSMo, are amended by adding thereto three new sections, to be known as sections 104.1091, 476.521, and 476.529, to read as follows:

104.1091. 1. Notwithstanding any provision of the year 2000 plan to the contrary, each person who first becomes an employee on or after January 1, 2011, shall be a member of the year 2000 plan subject to the provisions of this section.

2. A member's normal retirement eligibility shall be as follows:

(1) The member's attainment of at least age sixty-seven and the completion of at least ten years of credited service; or the member's attainment of at least age fifty-five with the sum of the member's age and credited service equaling at least ninety; or, in the case of a member who is serving as a uniformed member of the highway patrol and subject to the mandatory retirement

1 provisions of section 104.081, such member's attainment of at
2 least age sixty or, the attainment of at least age fifty-five
3 with ten years of credited service;

4 (2) For members of the general assembly, the member's
5 attainment of at least age sixty-two and the completion of at
6 least three full biennial assemblies; or the member's attainment
7 of at least age fifty-five with the sum of the member's age and
8 credited service equaling at least ninety;

9 (3) For statewide elected officials, the official's
10 attainment of at least age sixty-two and the completion of at
11 least four years of credited service; or the official's
12 attainment of at least age fifty-five with the sum of the
13 official's age and credited service equaling at least ninety.

14 3. A vested former member's normal retirement eligibility
15 shall be based on the attainment of at least age sixty-seven and
16 the completion of at least ten years of credited service.

17 4. A temporary annuity paid pursuant to subsection 4 of
18 section 104.1024 shall be payable if the member has attained at
19 least age fifty-five with the sum of the member's age and
20 credited service equaling at least ninety; or in the case of a
21 member who is serving as a uniformed member of the highway patrol
22 and subject to the mandatory retirement provisions of section
23 104.081, the temporary annuity shall be payable if the member has
24 attained at least age sixty, or at least age fifty-five with ten
25 years of credited service.

26 5. A member, other than a member who is serving as a
27 uniformed member of the highway patrol and subject to the
28 mandatory retirement provisions of section 104.081, shall be

1 eligible for an early retirement annuity upon the attainment of
2 at least age sixty-two and the completion of at least ten years
3 of credited service. A vested former member shall not be
4 eligible for early retirement.

5 6. The provisions of subsection 6 of section 104.1021 and
6 section 104.344 as applied pursuant to subsection 7 of section
7 104.1021 and section 104.1090 shall not apply to members covered
8 by this section.

9 7. The minimum credited service requirements of five years
10 contained in sections 104.1018, 104.1030, 104.1036, and 104.1051
11 shall be ten years for members covered by this section. The
12 normal and early retirement eligibility requirements in this
13 section shall apply for purposes of administering section
14 104.1087.

15 8. A member shall be required to contribute four percent of
16 the member's pay to the retirement system, which shall stand to
17 the member's credit in his or her individual account with the
18 system, together with investment credits thereon, for purposes of
19 funding retirement benefits payable under the year 2000 plan,
20 subject to the following provisions:

21 (1) The state of Missouri employer, pursuant to the
22 provisions of 26 U.S.C. section 414(h)(2), shall pick up and pay
23 the contributions that would otherwise be payable by the member
24 under this section. The contributions so picked up shall be
25 treated as employer contributions for purposes of determining the
26 member's pay that is includable in the member's gross income for
27 federal income tax purposes;

28 (2) Member contributions picked up by the employer shall be

1 paid from the same source of funds used for the payment of pay to
2 a member. A deduction shall be made from each member's pay equal
3 to the amount of the member's contributions picked up by the
4 employer. This deduction, however, shall not reduce the member's
5 pay for purposes of computing benefits under the retirement
6 system pursuant to this chapter;

7 (3) Member contributions so picked up shall be credited to
8 a separate account within the member's individual account so that
9 the amounts contributed pursuant to this section may be
10 distinguished from the amounts contributed on an after-tax basis;

11 (4) The contributions, although designated as employee
12 contributions, shall be paid by the employer in lieu of the
13 contributions by the member. The member shall not have the
14 option of choosing to receive the contributed amounts directly
15 instead of having them paid by the employer to the retirement
16 system;

17 (5) Interest shall be credited annually on June 30 based on
18 the value in the account as of July 1 of the immediately
19 preceding year at a rate of four percent. Interest credits shall
20 cease upon termination of employment if the member is not a
21 vested former member. Otherwise, interest credits shall cease
22 upon retirement;

23 (6) A vested former member or a former member who is not
24 vested may request a refund of his or her contributions and
25 interest credited thereon. If such member is married at the time
26 of such request, such request shall not be processed without
27 consent from the spouse. Such member is not eligible to request
28 a refund if such member's retirement benefit is subject to a

1 division of benefit order pursuant to section 104.1051. Such
2 refund shall be paid by the system after ninety days from the
3 date of termination of employment or the request, whichever is
4 later, and shall include all contributions made to any retirement
5 plan administered by the system and interest credited thereon. A
6 vested former member may not request a refund after such member
7 becomes eligible for normal retirement. A vested former member
8 or a former member who is not vested who receives a refund shall
9 forfeit all the member's credited service and future rights to
10 receive benefits from the system and shall not be eligible to
11 receive any long term disability benefits; provided that any
12 member or vested former member receiving long term disability
13 benefits shall not be eligible for a refund. If such member
14 subsequently becomes an employee and works continuously for at
15 least one year, the credited service previously forfeited shall
16 be restored if the member returns to the system the amount
17 previously refunded plus interest at a rate established by the
18 board;

19 (7) The beneficiary of any member who made contributions
20 shall receive a refund upon the member's death equal to the
21 amount, if any, of such contributions less any retirement
22 benefits received by the member unless an annuity is payable to a
23 survivor or beneficiary as a result of the member's death. In
24 that event, the beneficiary of the survivor or beneficiary who
25 received the annuity shall receive a refund upon the survivor's
26 or beneficiary's death equal to the amount, if any, of the
27 member's contributions less any annuity amounts received by the
28 member and the survivor or beneficiary.

1 9. The employee contribution rate, the benefits provided
2 under the year 2000 plan to members covered under this section,
3 and any other provision of the year 2000 plan with regard to
4 members covered under this section may be altered, amended,
5 increased, decreased, or repealed, but only with respect to
6 services rendered by the member after the effective date of such
7 alteration, amendment, increase, decrease, or repeal, or, with
8 respect to interest credits, for periods of time after the
9 effective date of such alteration, amendment, increase, decrease,
10 or repeal.

11 10. For purposes of members covered by this section, the
12 options under section 104.1027 shall be as follows:

13 Option 1. A retiree's life annuity shall be reduced to a
14 certain percent of the annuity otherwise payable. Such percent
15 shall be eighty-eight and one half percent adjusted as follows:
16 if the retiree's age on the annuity starting date is younger than
17 sixty-seven years, an increase of three-tenths of one percent for
18 each year the retiree's age is younger than age sixty-seven
19 years; and if the beneficiary's age is younger than the retiree's
20 age on the annuity starting date, a decrease of three-tenths of
21 one percent for each year of age difference; and if the retiree's
22 age is younger than the beneficiary's age on the annuity starting
23 date, an increase of three-tenths of one percent for each year of
24 age difference; provided, after all adjustments the option 1
25 percent cannot exceed ninety-four and one quarter percent. Upon
26 the retiree's death, fifty percent of the retiree's reduced
27 annuity shall be paid to such beneficiary who was the retiree's
28 spouse on the annuity starting date or as otherwise provided by

1 subsection 5 of this section.

2 Option 2. A retiree's life annuity shall be reduced to a
3 certain percent of the annuity otherwise payable. Such percent
4 shall be eighty-one percent adjusted as follows: if the
5 retiree's age on the annuity starting date is younger than sixty-
6 seven years, an increase of four-tenths of one percent for each
7 year the retiree's age is younger than sixty-seven years; and if
8 the beneficiary's age is younger than the retiree's age on the
9 annuity starting date, a decrease of five-tenths of one percent
10 for each year of age difference; and if the retiree's age is
11 younger than the beneficiary's age on the annuity starting date,
12 an increase of five-tenths of one percent for each year of age
13 difference; provided, after all adjustments the option 2 percent
14 cannot exceed eighty-seven and three quarter percent. Upon the
15 retiree's death one hundred percent of the retiree's reduced
16 annuity shall be paid to such beneficiary who was the retiree's
17 spouse on the annuity starting date or as otherwise provided by
18 subsection 5 of this section.

19 Option 3. A retiree's life annuity shall be reduced to
20 ninety-three percent of the annuity otherwise payable. If the
21 retiree dies before having received one hundred twenty monthly
22 payments, the reduced annuity shall be continued for the
23 remainder of the one hundred twenty-month period to the retiree's
24 designated beneficiary provided that if there is no beneficiary
25 surviving the retiree, the present value of the remaining annuity
26 payments shall be paid as provided under subsection 3 of section
27 104.620. If the beneficiary survives the retiree but dies before
28 receiving the remainder of such one hundred twenty monthly

1 payments, the present value of the remaining annuity payments
2 shall be paid as provided under subsection 3 of section 104.620.

3 Option 4. A retiree's life annuity shall be reduced to
4 eighty-six percent of the annuity otherwise payable. If the
5 retiree dies before having received one hundred eighty monthly
6 payments, the reduced annuity shall be continued for the
7 remainder of the one hundred eighty-month period to the retiree's
8 designated beneficiary provided that if there is no beneficiary
9 surviving the retiree, the present value of the remaining annuity
10 payments shall be paid as provided under subsection 3 of section
11 104.620. If the beneficiary survives the retiree but dies before
12 receiving the remainder of such one hundred eighty monthly
13 payments, the present value of the remaining annuity payments
14 shall be paid as provided under subsection 3 of section 104.620.

15 11. The provisions of subsection 6 of section 104.1024
16 shall not apply to members covered by this section.

17 476.521. 1. Notwithstanding any provision of chapter 476
18 to the contrary, each person who first becomes a judge on or
19 after January 1, 2011, and continues to be a judge may receive
20 benefits as provided in sections 476.445 to 476.688 subject to
21 the provisions of this section.

22 2. Any person who is at least sixty-seven years of age, has
23 served in this state an aggregate of at least twelve years,
24 continuously or otherwise, as a judge, and ceases to hold office
25 by reason of the expiration of the judge's term, voluntary
26 resignation, or retirement pursuant to the provisions of
27 subsection 2 of section 24 of article V of the Constitution of
28 Missouri may receive benefits as provided in sections 476.515 to

1 476.565. The twelve-year requirement of this subsection may be
2 fulfilled by service as judge in any of the courts covered, or by
3 service in any combination as judge of such courts, totaling an
4 aggregate of twelve years. Any judge who is at least sixty-seven
5 years of age and who has served less than twelve years and is
6 otherwise qualified under sections 476.515 to 476.565 may retire
7 after reaching age sixty-seven, or thereafter, at a reduced
8 retirement compensation in a sum equal to the proportion of the
9 retirement compensation provided in section 476.530 that his or
10 her period of judicial service bears to twelve years.

11 3. Any person who is at least sixty-two years of age or
12 older, has served in this state an aggregate of at least twenty
13 years, continuously or otherwise, as a judge, and ceases to hold
14 office by reason of the expiration of the judge's term, voluntary
15 resignation, or retirement pursuant to the provisions of
16 subsection 2 of section 24 of article V of the Constitution of
17 Missouri may receive benefits as provided in sections 476.515 to
18 476.565. The twenty-year requirement of this subsection may be
19 fulfilled by service as a judge in any of the courts covered, or
20 by service in any combination as judge of such courts, totaling
21 an aggregate of twenty years. Any judge who is at least sixty-
22 two years of age and who has served less than twenty years and is
23 otherwise qualified under sections 476.515 to 476.565 may retire
24 after reaching age sixty-two, at a reduced retirement
25 compensation in a sum equal to the proportion of the retirement
26 compensation provided in section 476.530 that his or her period
27 of judicial service bears to twenty years.

28 4. All judges under this section required by the provisions

1 of section 26 of article V of the Constitution of Missouri to
2 retire at the age of seventy years shall retire upon reaching
3 that age.

4 5. The provisions of sections 104.344, 476.524, and 476.690
5 shall not apply to judges covered by this section.

6 6. A judge shall be required to contribute four percent of
7 the judge's compensation to the retirement system, which shall
8 stand to the judge's credit in his or her individual account with
9 the system, together with investment credits thereon, for
10 purposes of funding retirement benefits payable as provided in
11 sections 476.515 to 476.565, subject to the following provisions:

12 (1) The state of Missouri employer, pursuant to the
13 provisions of 26 U.S.C. section 414(h) (2), shall pick up and pay
14 the contributions that would otherwise be payable by the judge
15 under this section. The contributions so picked up shall be
16 treated as employer contributions for purposes of determining the
17 judge's compensation that is includable in the judge's gross
18 income for federal income tax purposes;

19 (2) Judge contributions picked up by the employer shall be
20 paid from the same source of funds used for the payment of
21 compensation to a judge. A deduction shall be made from each
22 judge's compensation equal to the amount of the judge's
23 contributions picked up by the employer. This deduction,
24 however, shall not reduce the judge's compensation for purposes
25 of computing benefits under the retirement system pursuant to
26 this chapter;

27 (3) Judge contributions so picked up shall be credited to a
28 separate account within the judge's individual account so that

1 the amounts contributed pursuant to this section may be
2 distinguished from the amounts contributed on an after tax basis;

3 (4) The contributions, although designated as employee
4 contributions, are being paid by the employer in lieu of the
5 contributions by the judge. The judge shall not have the option
6 of choosing to receive the contributed amounts directly instead
7 of having them paid by the employer to the retirement system;

8 (5) Interest shall be credited annually on June 30 based on
9 the value in the account as of July 1 of the immediately
10 preceding year at a rate of four percent. Interest credits shall
11 cease upon retirement of the judge;

12 (6) A judge whose employment is terminated may request a
13 refund of his or her contributions and interest credited thereon.
14 If such judge is married at the time of such request, such
15 request shall not be processed without consent from the spouse.
16 A judge is not eligible to request a refund if the judge's
17 retirement benefit is subject to a division of benefit order
18 pursuant to section 104.312. Such refund shall be paid by the
19 system after ninety days from the date of termination of
20 employment or the request, whichever is later and shall include
21 all contributions made to any retirement plan administered by the
22 system and interest credited thereon. A judge may not request a
23 refund after such judge becomes eligible for retirement benefits
24 under sections 476.515 to 476.565. A judge who receives a refund
25 shall forfeit all the judge's service and future rights to
26 receive benefits from the system and shall not be eligible to
27 receive any long term disability benefits; provided that any
28 judge or former judge receiving long term disability benefits

1 shall not be eligible for a refund. If such judge subsequently
2 becomes a judge and works continuously for at least one year, the
3 service previously forfeited shall be restored if the judge
4 returns to the system the amount previously refunded plus
5 interest at a rate established by the board;

6 (7) The beneficiary of any judge who made contributions
7 shall receive a refund upon the judge's death equal to the
8 amount, if any, of such contributions less any retirement
9 benefits received by the judge unless an annuity is payable to a
10 survivor or beneficiary as a result of the judge's death. In
11 that event, the beneficiary of the survivor or beneficiary who
12 received the annuity shall receive a refund upon the survivor's
13 or beneficiary's death equal to the amount, if any, of the
14 judge's contributions less any annuity amounts received by the
15 judge and the survivor or beneficiary.

16 7. The employee contribution rate, the benefits provided
17 under sections 476.515 to 476.565 to judges covered under this
18 section, and any other provision of sections 476.515 to 476.565
19 with regard to judges covered under this section may be altered,
20 amended, increased, decreased, or repealed, but only with respect
21 to services rendered by the judge after the effective date of
22 such alteration, amendment, increase, decrease, or repeal, or,
23 with respect to interest credits, for periods of time after the
24 effective date of such alteration, amendment, increase, decrease,
25 or repeal.

26 8. Any judge who is receiving retirement compensation under
27 section 476.529 or 476.530 who becomes employed as an employee
28 eligible to participate in the closed plan or in the year 2000

1 plan under chapter 104, shall not receive such retirement
2 compensation for any calendar month in which the retired judge is
3 so employed. Any judge who is receiving retirement compensation
4 under section 476.529 or section 476.530 who subsequently serves
5 as a judge as defined pursuant to subdivision (4) of subsection 1
6 of section 476.515 shall not receive such retirement compensation
7 for any calendar month in which the retired judge is serving as a
8 judge; except that upon retirement such judge's annuity shall be
9 recalculated to include any additional service or salary accrued
10 based on the judge's subsequent service. A judge who is
11 receiving compensation under section 476.529 or 476.530 may
12 continue to receive such retirement compensation while serving as
13 a senior judge or senior commissioner and shall receive
14 additional credit and salary for such service pursuant to section
15 476.682.

16 476.529. 1. In lieu of the retirement compensation
17 provided in section 476.530, a judge employed for the first time
18 on or after January 1, 2011, may elect in the judge's application
19 for retirement whether or not to have such judge's annuity
20 reduced, and designate a beneficiary, as provided by the options
21 set forth in this subsection prior to the judge's annuity
22 starting date:

23 Option 1. A judge's annuity shall be reduced to a certain
24 percent of the annuity otherwise payable. Such percent shall be
25 eighty-eight and one half percent adjusted as follows: if the
26 judge's age on the annuity starting date is younger than sixty-
27 seven years, an increase of three-tenths of one percent for each
28 year the judge's age is younger than age sixty-seven years; and

1 if the beneficiary's age is younger than the judge's age on the
2 annuity starting date, a decrease of three-tenths of one percent
3 for each year of age difference; and if the judge's age is
4 younger than the beneficiary's age on the annuity starting date,
5 an increase of three-tenths of one percent for each year of age
6 difference; provided, after all adjustments the option 1 percent
7 cannot exceed ninety-four and one quarter percent. Upon the
8 judge's death, fifty percent of the judge's reduced annuity shall
9 be paid to such beneficiary who was the judge's spouse on the
10 annuity starting date or as otherwise provided by subsection 5 of
11 this section.

12 Option 2. A judge's life annuity shall be reduced to a
13 certain percent of the annuity otherwise payable. Such percent
14 shall be eighty-one percent adjusted as follows: if the judge's
15 age on the annuity starting date is younger than sixty-seven
16 years, an increase of four-tenths of one percent for each year
17 the judge's age is younger than sixty-seven years; and if the
18 beneficiary's age is younger than the judge's age on the annuity
19 starting date, a decrease of five-tenths of one percent for each
20 year of age difference; and if the judge's age is younger than
21 the beneficiary's age on the annuity starting date, an increase
22 of five-tenths of one percent for each year of age difference;
23 provided, after all adjustments the option 2 percent cannot
24 exceed eighty-seven and three quarter percent. Upon the judge's
25 death one hundred percent of the judge's reduced annuity shall be
26 paid to such beneficiary who was the judge's spouse on the
27 annuity starting date or as otherwise provided by subsection 5 of
28 this section.

1 Option 3. A judge's life annuity shall be reduced to
2 ninety-three percent of the annuity otherwise payable. If the
3 judge dies before having received one hundred twenty monthly
4 payments, the reduced annuity shall be continued for the
5 remainder of the one hundred twenty-month period to the judge's
6 designated beneficiary provided that if there is no beneficiary
7 surviving the judge, the present value of the remaining annuity
8 payments shall be paid as provided under subsection 4 of section
9 104.1054 as if the judge was a deceased member under that
10 section. If the beneficiary survives the judge but dies before
11 receiving the remainder of such one hundred twenty monthly
12 payments, the present value of the remaining annuity payments
13 shall be paid as provided under subsection 4 of section 104.1054
14 for a deceased beneficiary under that section.

15 Option 4. A judge's life annuity shall be reduced to
16 eighty-six percent of the annuity otherwise payable. If the
17 judge dies before having received one hundred eighty monthly
18 payments, the reduced annuity shall be continued for the
19 remainder of the one hundred eighty-month period to the judge's
20 designated beneficiary provided that if there is no beneficiary
21 surviving the judge, the present value of the remaining annuity
22 payments shall be paid as provided under subsection 4 of section
23 104.1054 as if the judge was a deceased member under that
24 section. If the beneficiary survives the judge but dies before
25 receiving the remainder of such one hundred eighty monthly
26 payments, the present value of the remaining annuity payments
27 shall be paid as provided under subsection 4 of section 104.1054
28 for a deceased beneficiary under that section.

1 2. If a judge is married as of the annuity starting date,
2 the judge's annuity shall be paid under the provisions of either
3 option 1 or option 2 as set forth in subsection 1 of this
4 section, at the judge's choice, with the spouse as the judge's
5 designated beneficiary unless the spouse consents in writing to
6 the judge electing another available form of payment.

7 3. If a judge has elected at the annuity starting date
8 option 1 or 2 pursuant to this section and if the judge's spouse
9 or eligible former spouse dies after the annuity starting date
10 but before the judge dies, then the judge may cancel the judge's
11 election and return to the unreduced annuity form of payment and
12 annuity amount, effective the first of the month following the
13 date of such spouse's or eligible former spouse's death. If a
14 judge dies prior to notifying the system of the spouse's death,
15 the benefit shall not revert to an unreduced annuity and no
16 retroactive payments shall be made.

17 4. If a judge designates a spouse as a beneficiary pursuant
18 to this section and subsequently that marriage ends as a result
19 of a dissolution of marriage, such dissolution shall not affect
20 the option election pursuant to this section and the former
21 spouse shall continue to be eligible to receive survivor benefits
22 upon the death of the judge.

23 5. A judge may make an election under option 1 or 2 after
24 the annuity starting date as described in this section if the
25 judge makes such election within one year from the date of
26 marriage pursuant to any of the following circumstances:

27 (1) The judge elected to receive a life annuity and was not
28 eligible to elect option 1 or 2 on the annuity starting date; or

1 (2) The judge's annuity reverted to a normal or early
2 retirement annuity pursuant to subsection 3 of this section, and
3 the judge remarried.

4 6. A judge may change a judge's election made under this
5 section at any time prior to the system mailing or electronically
6 transferring the first annuity payment to such member.

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