

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Committee Substitute for Senate Bill No. 145, Page 5, Section 67.319, Line 53, by inserting after all of said section and line, the following:

“70.660. 1. Except as otherwise provided herein, before the date the first payment of a person's allowance becomes due but not thereafter, a person about to become a retirant may elect to receive his or her allowance for life with or without a partial lump-sum distribution, as provided in this subsection. A person about to become a retirant may elect to receive a partial lump-sum distribution equal to twenty-four times the amount of his or her monthly allowance for life, not including any monthly temporary allowance which may be payable. Such lump sum shall be paid to the retirant, upon written application to the board, not fewer than ninety days nor more than one hundred fifty days after the date the first payment of his or her monthly allowance becomes due. The retirant's monthly life allowance shall be reduced to eighty-four percent if the retirant's age at the time of retirement is sixty, which percent shall be decreased by four-tenths of one percent for each year the retirant's age at the time of retirement is greater than sixty, or which percent shall be increased by four-tenths of one percent for each year the retirant's age at the time of retirement is less than sixty, up to a maximum of ninety percent. The reductions in monthly life allowance in this subsection shall be calculated and applied before any reductions under subsection 2 of this section are calculated and applied.

2. Before the date the first payment of a person's allowance becomes due but not thereafter, a person about to become a retirant may elect to have his or her allowance for life reduced but not any temporary allowance which may be payable, and nominate a beneficiary, as provided by option A, B, C, or D set forth below:

(1) Option A. Under option A, a retirant's allowance payable to the retirant shall be reduced to a certain percent of the allowance otherwise payable to the retirant. If such first payment due date is on or after October 1, 1998, such percent shall be eighty-five percent if the retirant's age and the retirant's beneficiary's age are the same on such first due date, which shall be decreased by three-quarters of one percent for each year that the beneficiary's age is less than the retirant's age, or which shall be increased by three-quarters of one percent, up to a maximum of ninety percent, for each year that the beneficiary's age is more than the retirant's age. Upon the retirant's death three-quarters of the retirant's reduced allowance to which the retirant would have been entitled had the retirant lived shall be paid to his or her surviving beneficiary, nominated before such first payment due date but not thereafter, who was the retirant's spouse for not less than the two years immediately preceding such first payment due date, or another person aged

1 forty years or older receiving more than one-half support from the retirant for not less than the two years
2 immediately preceding such first payment due date.

3 (2) Option B. Under option B, a retirant's allowance payable to the retirant shall be reduced to a
4 certain percent of the allowance otherwise payable to the retirant. If such first payment due date is on or
5 after October 1, 1998, such percent shall be ninety percent if the retirant's age and the retirant's
6 beneficiary's age are the same on such first payment due date, which shall be decreased by one-half of one
7 percent for each year that the beneficiary's age is less than the retirant's age, or which shall be increased by
8 one-half of one percent, up to a maximum of ninety-five percent for each year that the beneficiary's age is
9 more than the retirant's age. Upon the retirant's death one-half of his or her reduced allowance to which
10 the retirant would have been entitled had the retirant lived shall be paid to the retirant's surviving
11 beneficiary, nominated before such first payment due date but not thereafter, who was either the retirant's
12 spouse for not less than the two years immediately preceding such first payment due date, or another
13 person aged forty years or older receiving more than one-half support from the retirant for not less than
14 the two years immediately preceding such first payment due date.

15 (3) Option C. Under option C, a retirant's allowance payable to the retirant shall be reduced to
16 ninety-five percent of the allowance otherwise payable to the retirant if such first payment due date is on
17 or after October 1, 1998. If the retirant dies before having received one hundred twenty monthly
18 payments of his or her reduced allowance, his or her reduced allowance to which the retirant would have
19 been entitled had the retirant lived shall be paid for the remainder of the one hundred twenty months'
20 period to such person as the retirant shall have nominated by written designation duly executed and filed
21 with the board. If there is no such beneficiary surviving the retirant, the reserve for such allowance for the
22 remainder of such one hundred twenty months' period shall be paid to the retirant's estate.

23 (4) Option D. Some other option approved by the board which shall be the actuarial equivalent of
24 the allowance to which the member is entitled under this system.

25 3. The death of the beneficiary designated under option A or B of subsection 2 of this section
26 before the death of the retirant after retirement shall, upon written notification to the system of the death
27 of the beneficiary, cancel any optional plan elected at retirement to provide continuing lifetime benefits to
28 the beneficiary and shall return the retirant to his or her single lifetime benefit equivalent, to be effective
29 the month following receipt of the written notification of the death of the beneficiary by the system.

30 4. If a member fails to elect a benefit option under subsection 2 of this section, his or her
31 allowance for life shall be paid to the member as a single lifetime benefit.”; and
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33 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.