

SCS HCS HB 233 -- STATE EMPLOYEE BENEFITS

This bill changes the laws regarding the Missouri State Employee Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) so that they are consistent for both systems. In its main provisions, the bill:

- (1) Revises the definition of "beneficiary" to include more than one person or entity;
- (2) Specifies that the definition of an "employee," effective August 28, 2007, is a person who works at least 1,040 hours a year and makes the definition consistent in the provisions regarding all plans;
- (3) Changes the term "guardian" to "conservator" in the provisions regarding surviving children benefits to clarify that a conservator is authorized to control the finances of minor children and a guardian controls other life decisions;
- (4) Specifies that in all cases in which an error in any record has been made regarding a member's or beneficiary's benefit under MPERS or MOSERS, a correction cannot be made unless the system discovers or is notified of the error within 10 years after the initial date of the error;
- (5) Removes the requirement that the Social Security number of the member and the alternate payee be included on a division of benefits order pursuant to a dissolution of marriage and requires their dates of birth to be included to make the provisions consistent with those regarding the Year 2000 Plan (MSEP);
- (6) Specifies that a division of benefits order issued pursuant to a dissolution of marriage cannot require the applicable retirement system to continue payments to an alternative payee if the member's retirement benefit is suspended or waived but must resume when the retiree begins to receive retirement benefits in the future;
- (7) Specifies that a cost-of-living adjustment (COLA) paid under MOSERS or MPERS cannot accrue while a retiree is employed less than 1,040 hours in a year and in-service COLAs will not accrue based on any additional service due to the reemployment;
- (8) Clarifies that any member retiring under MOSERS or MPERS or any member of the Public School Retirement System who is employed by a department other than an institution of higher education must be credited with all of his or her unused sick leave as reported by the last department that employed him or her prior to retirement

when calculating his or her years of service;

(9) Specifies that the transfer of creditable service between the retirement systems will become effective at the time the person files written notification of his or her election with the retirement boards affected by the service transfer. Currently, the transfer becomes effective on the first day of the second month following the month in which the person files the written notification;

(10) Specifies that if a person elects to change from the closed plan to the Year 2000 Plan, he or she must remain in the closed plan until his or her annuity starting date;

(11) Specifies that an additional benefit increase, lump sum benefit payment, or cost-of-living adjustment cannot be adopted unless the plan's actuary determines that the funded ratio of the most recent periodic actuarial valuation is 80% prior to adoption and at least 75% after adoption. Currently, the adoption of an additional benefit increase, lump sum benefit payment, or a cost-of-living increase is not required to be based on the funded ratio of the most recent periodic actuarial valuation. This provision must not prevent a plan from adopting any provision that is necessary to maintain a plan's status as a qualified trust; and

(12) Specifies that a minor child as it applies to the Judicial Plan under MOSERS means any child younger than 21 years of age to make the provisions consistent with the provisions of the other plans administered by MOSERS.