

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 723

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE PIKE.

1679H.01P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 70.600, 169.141, and 169.715, RSMo, and to enact in lieu thereof four new sections relating to public employee retirement systems.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 70.600, 169.141, and 169.715, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 70.600, 70.631, 169.141, and 169.715, to read as follows:

70.600. The following words and phrases as used in sections 70.600 to 70.755, unless a different meaning is plainly required by the context, shall mean:

- (1) "Accumulated contributions", the total of all amounts deducted from the compensations of a member and standing to the member's credit in his or her individual account in the members deposit fund, together with investment credits thereon;
- (2) "Actuarial equivalent", a benefit of equal reserve value;
- (3) "Allowance", the total of the annuity and the pension. All allowances shall be paid not later than the tenth day of each calendar month;
- (4) "Annuity", a monthly amount derived from the accumulated contributions of a member and payable by the system throughout the life of a person or for a temporary period;
- (5) "Beneficiary", any person who is receiving or designated to receive a system benefit, except a retirant;
- (6) "Benefit program", a schedule of benefits or benefit formulas from which the amounts of system benefits can be determined;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 (7) "Board of trustees" or "board", the board of trustees of the system;

16 (8) "Compensation", the remuneration paid an employee by a political subdivision or by
17 an elected fee official of the political subdivision for personal services rendered by the employee
18 for the political subdivision or for the elected fee official in the employee's public capacity;
19 provided, that for an elected fee official, "compensation" means that portion of his or her fees
20 which is net after deduction of (a) compensation paid by such elected fee official to his or her
21 office employees, if any, and (b) the ordinary and necessary expenses paid by such elected fee
22 official and attributable to the operation of his or her office. In cases where an employee's
23 compensation is not all paid in money, the political subdivision shall fix the reasonable value of
24 the employee's compensation not paid in money. In determining compensation no consideration
25 shall be given to:

26 (a) Any nonrecurring single sum payment paid by an employer;

27 (b) Employer contributions to any employee benefit plan or trust;

28 (c) Any other unusual or nonrecurring remuneration; or

29 (d) Compensation in excess of the limitations set forth in Internal Revenue Code Section
30 401(a)(17). The limitation on compensation for eligible employees shall not be less than the
31 amount which was allowed to be taken into account under the system as in effect on July 1, 1993.
32 For purposes of this paragraph, an "eligible employee" is an individual who was a member of the
33 system before the first plan year beginning after December 31, 1995;

34 (9) "Credited service", the total of a member's prior service and membership service, to
35 the extent such service is standing to the member's credit as provided in sections 70.600 to
36 70.755;

37 (10) "Employee", any person regularly employed by a political subdivision who receives
38 compensation from the political subdivision for personal services rendered the political
39 subdivision, including any elected official of the political subdivision whose position requires
40 his or her regular personal services and who is compensated wholly or in part on a fee basis, and
41 including the employees of such elected fee officials who may be compensated by such elected
42 fee officials. The term "employee" may include any elected county official. The term
43 "employee" shall not include any person:

44 (a) Who is not an elected official of the political subdivision and who is included as an
45 active member in any other plan similar in purpose to this system by reason of his or her
46 employment with his or her political subdivision, except the federal Social Security Old Age,
47 Survivors, and Disability Insurance Program, as amended; or

48 (b) Who acts for the political subdivision under contract; or

49 (c) Who is paid wholly on a fee basis, except elected officials and their employees; or

50 (d) Who holds the position of mayor, presiding judge, president or chairman of the
51 political subdivision or is a member of the governing body of the political subdivision; except
52 that, such an official of a political subdivision having ten or more other employees may become
53 a member if the official is covered under the federal Social Security Old Age, Survivors, and
54 Disability Insurance Program, as amended, by reason of such official's employment with his or
55 her political subdivision, by filing written application for membership with the board after the
56 date the official qualifies for such position or within thirty days after the date his or her political
57 subdivision becomes an employer, whichever date is later;

58 (11) "Employer", any political subdivision which has elected to have all its eligible
59 employees covered by the system;

60 (12) "Final average salary", the monthly average of the compensations paid an employee
61 during the period of sixty or, if an election has been made in accordance with section 70.656,
62 thirty-six consecutive months of credited service producing the highest monthly average, which
63 period is contained within the period of one hundred twenty consecutive months of credited
64 service immediately preceding his or her termination of membership. Should a member have
65 less than sixty or, if an election has been made in accordance with section 70.656, thirty-six
66 months of credited service, "final average salary" means the monthly average of compensation
67 paid the member during his or her total months of credited service;

68 (13) "Fireman", any regular or permanent employee of the fire department of a political
69 subdivision, including a probationary fireman. The term "fireman" shall not include:

70 (a) Any volunteer fireman; or

71 (b) Any civilian employee of a fire department; or

72 (c) Any person temporarily employed as a fireman for an emergency;

73 (14) "Member", any employee included in the membership of the system;

74 (15) "Membership service", employment as an employee with the political subdivision
75 from and after the date such political subdivision becomes an employer, which employment is
76 creditable as service hereunder;

77 (16) "Minimum service retirement age", age sixty for a member who is neither **public**
78 **safety personnel as defined in section 70.631**, a policeman, nor a fireman; "minimum service
79 retirement age", age fifty-five for a member who is **public safety personnel as defined in**
80 **section 70.631**, a policeman, or a fireman;

81 (17) "Pension", a monthly amount derived from contributions of an employer and
82 payable by the system throughout the life of a person or for a temporary period;

83 (18) "Policeman", any regular or permanent employee of the police department of a
84 political subdivision, including a probationary policeman. The term "policeman" shall not
85 include:

86 (a) Any civilian employee of a police department; or

87 (b) Any person temporarily employed as a policeman for an emergency;

88 (19) "Political subdivision", any governmental subdivision of this state created pursuant
89 to the laws of this state, and having the power to tax, except public school districts; a board of
90 utilities or a board of public works which is required by charter or ordinance to establish the
91 compensation of employees of the utility separate from the compensation of other employees of
92 the city may be considered a political subdivision for purposes of sections 70.600 to 70.755; a
93 joint municipal utility commission may be considered a political subdivision for purposes of
94 sections 70.600 to 70.755;

95 (20) "Prior service", employment as an employee with the political subdivision prior to
96 the date such political subdivision becomes an employer, which employment is creditable as
97 service hereunder;

98 (21) "Regular interest" or "investment credits", such reasonable rate or rates per annum,
99 compounded annually, as the board shall adopt annually;

100 (22) "Reserve", the present value of all payments to be made on account of any system
101 benefit based upon such tables of experience and regular interest as the board shall adopt from
102 time to time;

103 (23) "Retirant", a former member receiving a system allowance by reason of having been
104 a member;

105 (24) "Retirement system" or "system", the Missouri local government employees'
106 retirement system.

**70.631. 1. Each political subdivision may, by majority vote of its governing body,
2 elect to cover emergency telecommunicators, jailors, and emergency medical service
3 personnel as public safety personnel members of the system. The clerk or secretary of the
4 political subdivision shall certify an election concerning the coverage of emergency
5 telecommunicators, jailors, and emergency medical service personnel as public safety
6 personnel members of the system to the board within ten days after such vote. The date
7 in which the political subdivision's election becomes effective shall be the first day of the
8 calendar month specified by such governing body, the first day of the calendar month next
9 following receipt by the board of the certification of the election, or the effective date of the
10 political subdivision's becoming an employer, whichever is the latest date. Such election
11 shall not be changed after the effective date. If the election is made, the coverage
12 provisions shall be applicable to all past and future employment with the employer by
13 present and future employees. If a political subdivision makes no election under this
14 section, no emergency telecommunicator, jailor, or emergency medical service personnel**

15 of the political subdivision shall be considered public safety personnel for purposes
16 determining a minimum service retirement age as defined in section 70.600.

17 2. If an employer elects to cover emergency telecommunicators, jailors, and
18 emergency medical service personnel as public safety personnel members of the system, the
19 employer's contributions shall be correspondingly changed effective the same date as the
20 effective date of the political subdivision's election.

21 3. The limitation on increases in an employer's contributions provided by
22 subsection 6 of section 70.730 shall not apply to any contribution increase resulting from
23 an employer making an election under the provisions of this section.

169.141. 1. Any person receiving a retirement allowance under sections 169.010 to
2 169.140, and who elected a reduced retirement allowance under subsection 3 of section 169.070
3 with his or her spouse as the nominated beneficiary, may nominate a successor beneficiary under
4 either of the following circumstances:

5 (1) If the nominated beneficiary precedes the retired person in death, the retired person
6 may, upon remarriage, nominate the new spouse under the same option elected in the application
7 for retirement;

8 (2) If the marriage of the retired person and the nominated beneficiary is dissolved, and
9 if the dissolution decree provides for sole retention by the retired person of all rights in the
10 retirement allowance, the retired person may, upon remarriage, nominate the new spouse under
11 the same option elected in the application for retirement.

12 2. Any nomination of a successor beneficiary under subdivision (1) or (2) of subsection
13 1 of this section must be made in accordance with procedures established by the board of
14 trustees, and must be filed within ninety days of May 6, 1993, or within one year of the
15 remarriage, whichever later occurs. Upon receipt of a successor nomination filed in accordance
16 with those procedures, the board shall adjust the retirement allowance to reflect actuarial
17 considerations of that nomination as well as previous beneficiary and successor beneficiary
18 nominations.

19 3. Any person receiving a retirement allowance under sections 169.010 to 169.140 who
20 elected a reduced retirement allowance under subsection 3 of section 169.070 with his or her
21 spouse as the nominated beneficiary may have the retirement allowance increased to the amount
22 the retired member would be receiving had the retired member elected option 1 if:

23 (1) The marriage of the retired person and the nominated spouse is dissolved on or after
24 September 1, 2017;

25 ~~———(2) The]~~ , and the dissolution decree provides for sole retention by the retired person of
26 all rights in the retirement allowance; ~~[and]~~ or

27 (2) The marriage of the retired person and the nominated spouse was dissolved
28 before September 1, 2017, and:

29 (a) The dissolution decree provides for sole retention by the retired person of all
30 rights in the retirement allowance, and the parties obtain an amended or modified
31 dissolution decree after September 1, 2017, providing for the immediate removal of the
32 nominated spouse, or the nominated spouse consents in writing to his or her immediate
33 removal as nominated beneficiary and disclaims all rights to future benefits to the
34 satisfaction of the board of trustees; or

35 (b) The dissolution decree does not provide for sole retention by the retired person
36 of all rights in the retirement allowance and the parties obtain an amended or modified
37 dissolution decree after September 1, 2017, which provides for sole retention by the retired
38 person of all rights in the retirement allowance; and

39 (3) The person receives a retirement allowance under subsection 3 of section 169.070.
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41 Any such increase in the retirement allowance shall be effective upon the receipt of an
42 application for such increase and a certified copy of the decree of dissolution **and separation**
43 **agreement, if applicable**, that meets the requirements of this section.

169.715. 1. Any person receiving a retirement allowance under sections 169.600 to
2 169.712, and who elected a reduced retirement allowance under subsection 4 of section 169.670
3 with his or her spouse as the nominated beneficiary, may nominate a successor beneficiary under
4 either of the following circumstances:

5 (1) If the nominated beneficiary precedes the retired person in death, the retired person
6 may, upon remarriage, nominate the new spouse under the same option elected in the application
7 for retirement;

8 (2) If the marriage of the retired person and the nominated beneficiary is dissolved, and
9 if the dissolution decree provides for sole retention by the retired person of all rights in the
10 retirement allowance, the retired person may, upon remarriage, nominate the new spouse under
11 the same option elected in the application for retirement.

12 2. Any nomination of a successor beneficiary under subdivision (1) or (2) of subsection
13 1 of this section must be made in accordance with procedures established by the board of
14 trustees, and must be filed within ninety days of May 6, 1993, or within one year of the
15 remarriage, whichever later occurs. Upon receipt of a successor nomination filed in accordance
16 with those procedures, the board shall adjust the retirement allowance to reflect actuarial
17 considerations of that nomination as well as previous beneficiary and successor beneficiary
18 nominations.

19 3. Any person receiving a retirement allowance under sections 169.600 to 169.715 who
20 elected a reduced retirement allowance under subsection 4 of section 169.670 with his or her
21 spouse as the nominated beneficiary may have the retirement allowance increased to the amount
22 the retired member would be receiving had the retired member elected option 1 if:

23 (1) The marriage of the retired person and the nominated spouse is dissolved on or after
24 September 1, 2017[;

25 ~~——(2) The]~~ , **and the** dissolution decree provides for sole retention by the retired person of
26 all rights in the retirement allowance; ~~[and] or~~

27 **(2) The marriage of the retired person and the nominated spouse was dissolved**
28 **before September 1, 2017, and:**

29 **(a) The dissolution decree provides for sole retention by the retired person of all**
30 **rights in the retirement allowance, and the parties obtain an amended or modified**
31 **dissolution decree after September 1, 2017, providing for the immediate removal of the**
32 **nominated spouse, or the nominated spouse consents in writing to his or her immediate**
33 **removal as nominated beneficiary and disclaims all rights to future benefits to the**
34 **satisfaction of the board of trustees; or**

35 **(b) The dissolution decree does not provide for sole retention by the retired person**
36 **of all rights in the retirement allowance and the parties obtain an amended or modified**
37 **dissolution decree after September 1, 2017, which provides for sole retention by the retired**
38 **person of all rights in the retirement allowance; and**

39 (3) The person receives a retirement allowance under subsection 4 of section 169.670.

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41 Any such increase in the retirement allowance shall be effective upon the receipt of an
42 application for such increase and a certified copy of the decree of dissolution **and separation**
43 **agreement, if applicable,** that meets the requirements of this section.

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