

FIRST REGULAR SESSION

# HOUSE BILL NO. 905

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE OWEN.

0407H.011

JOSEPH ENGLER, Chief Clerk

## AN ACT

To repeal section 476.521, RSMo, and to enact in lieu thereof one new section relating to retirement of judges, with a contingent effective date.

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

Section A. Section 476.521, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 476.521, to read as follows:

476.521. 1. Notwithstanding any provision of this chapter to the contrary, each person who first becomes a judge on or after January 1, 2011, and continues to be a judge may receive benefits as provided in sections ~~[476.445]~~ **476.450** to 476.688 subject to the provisions of this section.

2. Any person who is at least sixty-seven years of age, has served in this state an aggregate of at least twelve years, continuously or otherwise, as a judge, and ceases to hold office by reason of the expiration of the judge's term, voluntary resignation, or retirement pursuant to the provisions of Subsection 2 of Section 24 of Article V of the Constitution of Missouri may receive benefits as provided in sections 476.515 to 476.565. The twelve-year requirement of this subsection may be fulfilled by service as judge in any of the courts covered, or by service in any combination as judge of such courts, totaling an aggregate of twelve years. Any judge who is at least sixty-seven years of age and who has served less than twelve years and is otherwise qualified under sections 476.515 to 476.565 may retire after reaching age sixty-seven, or thereafter, at a reduced retirement compensation in a sum equal to the proportion of the retirement compensation provided in section 476.530 that his or her period of judicial service bears to twelve years.

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.

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

29           4. All judges under this section required by the provisions of Section 26 of Article V  
30 of the Constitution of Missouri to retire at the age of seventy years shall retire upon reaching  
31 that age; **except that, each judge under this section shall be permitted to complete the**  
32 **remainder of the term to which he or she was elected or appointed.**

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

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

40           (1) The state of Missouri employer, pursuant to the provisions of 26 U.S.C. Section  
41 414(h)(2), shall pick up and pay the contributions that would otherwise be payable by the  
42 judge under this section. The contributions so picked up shall be treated as employer  
43 contributions for purposes of determining the judge's compensation that is includable in the  
44 judge's gross income for federal income tax purposes;

45           (2) Judge contributions picked up by the employer shall be paid from the same source  
46 of funds used for the payment of compensation to a judge. A deduction shall be made from  
47 each judge's compensation equal to the amount of the judge's contributions picked up by the  
48 employer. This deduction, however, shall not reduce the judge's compensation for purposes  
49 of computing benefits under the retirement system pursuant to this chapter;

50           (3) Judge contributions so picked up shall be credited to a separate account within the  
51 judge's individual account so that the amounts contributed pursuant to this section may be  
52 distinguished from the amounts contributed on an after-tax basis;

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

57           (5) Interest shall be credited annually on June thirtieth based on the value in the  
58 account as of July first of the immediately preceding year at a rate of four percent. Effective  
59 June 30, 2024, and each June thirtieth thereafter, the interest crediting rate shall be equal to  
60 the investment rate that is published by the United States Department of the Treasury, or its  
61 successor agency, for fifty-two-week treasury bills for the relevant auction that is nearest to  
62 the preceding July first, or a successor treasury bill investment rate as approved by the board  
63 if the fifty-two-week treasury bill is no longer issued. Interest credits shall cease upon  
64 retirement or death of the judge;

65           (6) A judge whose employment is terminated may request a refund of his or her  
66 contributions and interest credited thereon. If such judge is married at the time of such  
67 request, such request shall not be processed without consent from the spouse. A judge is not  
68 eligible to request a refund if the judge's retirement benefit is subject to a division of benefit  
69 order pursuant to section 104.312. Such refund shall be paid by the system after ninety days  
70 from the date of termination of employment or the request, whichever is later and shall  
71 include all contributions made to any retirement plan administered by the system and interest  
72 credited thereon. A judge may not request a refund after such judge becomes eligible for  
73 retirement benefits under sections 476.515 to 476.565. A judge who receives a refund shall  
74 forfeit all the judge's service and future rights to receive benefits from the system and shall  
75 not be eligible to receive any long-term disability benefits; provided that any judge or former  
76 judge receiving long-term disability benefits shall not be eligible for a refund. If such judge  
77 subsequently becomes a judge and works continuously for at least one year, the service  
78 previously forfeited shall be restored if the judge returns to the system the amount previously  
79 refunded plus interest at a rate established by the board;

80           (7) The beneficiary of any judge who made contributions shall receive a refund upon  
81 the judge's death equal to the amount, if any, of such contributions and interest credited  
82 thereon, less any retirement benefits received by the judge unless an annuity is payable to a  
83 survivor or beneficiary as a result of the judge's death. In that event, the beneficiary of the  
84 survivor or beneficiary who received the annuity shall receive a refund upon the survivor's or  
85 beneficiary's death equal to the amount, if any, of the judge's contributions less any annuity  
86 amounts received by the judge and the survivor or beneficiary.

87           7. The employee contribution rate, the benefits provided under sections 476.515 to  
88 476.565 to judges covered under this section, and any other provision of sections 476.515 to  
89 476.565 with regard to judges covered under this section may be altered, amended, increased,

90 decreased, or repealed, but only with respect to services rendered by the judge after the  
91 effective date of such alteration, amendment, increase, decrease, or repeal, or, with respect to  
92 interest credits, for periods of time after the effective date of such alteration, amendment,  
93 increase, decrease, or repeal.

94 8. Any judge who is receiving retirement compensation under section 476.529 or  
95 476.530 who becomes employed as an employee eligible to participate in the closed plan or in  
96 the year 2000 plan under chapter 104, shall not receive such retirement compensation for any  
97 calendar month in which the retired judge is so employed. Any judge who is receiving  
98 retirement compensation under section 476.529 or section 476.530 who subsequently serves  
99 as a judge as defined pursuant to subdivision (4) of subsection 1 of section 476.515 shall not  
100 receive such retirement compensation for any calendar month in which the retired judge is  
101 serving as a judge; except that upon retirement such judge's annuity shall be recalculated to  
102 include any additional service or salary accrued based on the judge's subsequent service. A  
103 judge who is receiving compensation under section 476.529 or 476.530 may continue to  
104 receive such retirement compensation while serving as a senior judge or senior commissioner  
105 and shall receive additional credit and salary for such service pursuant to section 476.682.

Section B. The repeal and reenactment of section 476.521 of this act shall become  
2 effective upon the passage of a constitutional amendment modifying the retirement of judges.

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