

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NOS. 348 & 347
92ND GENERAL ASSEMBLY

Reported from the Committee on Retirement March 6, 2003, with recommendation that the House Committee Substitute for House Bill Nos. 348 & 347 Do Pass by Consent.

STEPHEN S. DAVIS, Chief Clerk

1405L.03C

AN ACT

To repeal sections 70.660 and 70.686, RSMo, and to enact in lieu thereof two new sections relating to local government employees' retirement system.

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

Section A. Sections 70.660 and 70.686, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 70.660 and 70.686, to read as follows:

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 [have] **receive** 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 or option B or option C or option D set forth below] **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**

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

16 **retirement is less than sixty. The reductions in monthly life allowance in this subsection**
17 **shall be calculated and applied before any reductions under subsection 2 of this section are**
18 **calculated and applied.**

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

23 (1) Option A. Under option A, a retirant's allowance payable to the retirant shall be
24 reduced to a certain percent of the allowance otherwise payable to the retirant. [If such first
25 payment due date is before October 1, 1998, such percent shall be eighty percent if the retirant's
26 age and the retirant's beneficiary's age are the same on such first due date, which shall be
27 decreased by three-quarters of one percent for each year that the beneficiary's age is less than the
28 retirant's age, or which shall be increased by three-quarters of one percent, up to a maximum of
29 ninety percent, for each year that the beneficiary's age is more than the retirant's age.] If such
30 first payment due date is on or after October 1, 1998, such percent shall be eighty-five percent
31 if the retirant's age and the retirant's beneficiary's age are the same on such first due date, which
32 shall be decreased by three-quarters of one percent for each year that the beneficiary's age is less
33 than the retirant's age, or which shall be increased by three-quarters of one percent, up to a
34 maximum of ninety percent, for each year that the beneficiary's age is more than the retirant's
35 age. Upon the retirant's death three-quarters of the retirant's reduced allowance to which the
36 retirant would have been entitled had the retirant lived shall be paid to his or her surviving
37 beneficiary, nominated before such first payment due date but not thereafter, who was the
38 retirant's spouse for not less than the two years immediately preceding such first payment due
39 date, or another person aged forty years or older receiving more than one-half support from the
40 retirant for not less than the two years immediately preceding such first payment due date.

41 (2) Option B. Under option B, a retirant's allowance payable to the retirant shall be
42 reduced to a certain percent of the allowance otherwise payable to the retirant. [If such first
43 payment due date is before October 1, 1998, such percent shall be eighty-five percent if the
44 retirant's age and the retirant's beneficiary's age are the same on such first payment due date,
45 which shall be decreased by one-half of one percent for each year that the beneficiary's age is less
46 than the retirant's age, or which shall be increased by one-half of one percent, up to a maximum
47 of ninety-five percent, for each year that the beneficiary's age is more than the retirant's age.] If
48 such first payment due date is on or after October 1, 1998, such percent shall be ninety percent
49 if the retirant's age and the retirant's beneficiary's age are the same on such first payment due
50 date, which shall be decreased by one-half of one percent for each year that the beneficiary's age
51 is less than the retirant's age, or which shall be increased by one-half of one percent, up to a

52 maximum of ninety-five percent for each year that the beneficiary's age is more than the retirant's
53 age. Upon the retirant's death one-half of his or her reduced allowance to which the retirant
54 would have been entitled had the retirant lived shall be paid to the retirant's surviving
55 beneficiary, nominated before such first payment due date but not thereafter, who was either the
56 retirant's spouse for not less than the two years immediately preceding such first payment due
57 date, or another person aged forty years or older receiving more than one-half support from the
58 retirant for not less than the two years immediately preceding such first payment due date.

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

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

71 [2.] **3.** The death of the beneficiary **designated under option A or B of subsection 2**
72 **of this section** before the death of the retirant after retirement shall, [at the written election of
73 the retirant,] **upon written notification to the system of the death of the beneficiary**, cancel
74 any optional plan elected at retirement to provide continuing lifetime benefits to the beneficiary
75 and shall return the retirant to his or her single lifetime benefit equivalent, to be effective the
76 month following receipt of the [retirant's election to cancel] **written notification of the death**
77 **of the beneficiary** by the system.

78 [3.] **4.** If a member fails to elect [an] **a benefit option under subsection 2 of this**
79 **section**, his or her allowance for life shall be paid to the member as a single lifetime benefit.

70.686. [If a retirant becomes employed in a position covered by the system, such retirant
2 shall forfeit one monthly allowance payment for each calendar month in which the retirant
3 renders any such employment; except that, the retirant shall be considered a reemployed member
4 with contributions due immediately in accordance with sections 70.705 and 70.710. Such period
5 of reemployment shall be for a minimum of one year of continuous membership service before
6 the retirant shall receive any additional allowance. Any reemployed retirant who has one or more
7 years of membership service after reemployment and later retires shall receive an additional
8 allowance calculated to include only the membership service and the average compensation

9 earned by the member since reemployment, if such employment is less than the period described
10 in section 70.656. In either event, the original allowance and the additional allowance, if any,
11 shall become effective after making application in accordance with section 70.645. If the retirant
12 retired pursuant to section 70.680, the provisions of section 70.680 shall apply.]

13 **1. If a retirant becomes reemployed in a position covered by the system by a**
14 **political subdivision from which he or she is receiving a retirement allowance, such retirant**
15 **shall forfeit one monthly benefit allowance for each calendar month in which the retirant**
16 **renders service in connection with such reemployment.**

17 **2. If a retirant becomes employed in a position covered by the system by a political**
18 **subdivision from which he or she is not receiving a retirement allowance, such retirant**
19 **shall continue to receive his or her retirement allowance during such period of**
20 **employment.**

21 **3. A retirant who becomes employed by any participating political subdivision shall**
22 **be considered a reemployed member with contributions due immediately in accordance**
23 **with sections 70.705, 70.710, and 70.720. Such period of employment shall be for a**
24 **minimum of one year of continuous membership service before the retirant shall receive**
25 **any additional allowance.**

26 **4. Any reemployment member who has one or more years of membership service**
27 **after reemployment and later retires shall receive an additional allowance calculated to**
28 **include only the membership service and the average compensation earned by the**
29 **reemployed member since reemployment, if such employment is less than the period**
30 **described in section 70.656. In either event, the original allowance and the additional**
31 **allowance, if any, shall become effective after a written application is submitted in**
32 **accordance with section 70.645.**

33 **5. Notwithstanding any provision of this section to the contrary, if the retirant**
34 **retired pursuant to section 70.680, the provisions of section 70.680 shall apply.**