

SECOND REGULAR SESSION

HOUSE BILL NO. 1583

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JONES (117) (Sponsor), BRUNS, NANCE, STILL, SATER,
JONES (89), BIVINS, LOEHNER, RUESTMAN, GRISAMORE AND RUZICKA (Co-sponsors).

4177L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 104.403 and 104.404, RSMo, and to enact in lieu thereof two new sections relating to the Missouri state employees' retirement system, with an emergency clause.

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

Section A. Sections 104.403 and 104.404, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 104.403 and 104.404, to read as follows:

104.403. 1. Any state employee [or retiree] who retires pursuant to section 104.404, and
2 who is also eligible for medical coverage as described in section 103.115, RSMo, shall be
3 eligible to apply for the following coverage:

4 (1) Such retiree may elect to continue **medical** coverage for himself or herself [and any
5 eligible dependents at the same cost as if such retiree was an active employee] **only as if such**
6 **retiree were an active employee. Such retiree may also elect to continue other available**
7 **ancillary coverage, but such coverage shall be at the cost for retirees;**

8 (2) Such retiree may continue to pay the applicable rate as if the retiree were an active
9 employee [for a maximum period of five years], **subject to changes in the active rate that may**
10 **occur in the interim, until January 1, 2015,** or upon becoming eligible for Medicare,
11 whichever occurs first; and

12 (3) [After five years] **Beginning January 15, 2015,** or upon becoming eligible for
13 Medicare, the cost for medical coverage for such retiree [and any dependents] shall revert to the
14 applicable rate in place at that time **for a retiree, and such retiree shall pay any amount**
15 **resulting from such retiree becoming eligible for Medicare and not having paid the**
16 **applicable rate for a retiree.**

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 2. Any employee [or retiree] of a participating member agency who retires pursuant to
18 section 104.404 shall only be eligible to have the provisions of subsection 1 of this section
19 applied to his or her coverage if the governing body of the participating member agency elects
20 to provide such benefits.

21 3. The governing boards of Truman State University, Lincoln University, the educational
22 institutions described in section 174.020, RSMo, the highway commission that governs the
23 health care plans of the Missouri department of transportation and the Missouri state highway
24 patrol, and the conservation commission of the department of conservation may elect to provide
25 its employees or retirees who retire pursuant to section 104.404 the same benefits as described
26 in subsection 1 of this section under the respective medical plans of those institutions and
27 departments. [If the highway commission elects to provide retirees the benefits of this section,
28 any special consultant pursuant to section 104.515 who is a member of the Missouri department
29 of transportation and Missouri state highway patrol medical and life insurance plan and who
30 retired on or after February 1, 2003, but prior to July 1, 2003, shall be eligible to receive the
31 benefits of this section.]

 104.404. 1. An employee **who terminates employment on or after December 1, 2009,**
2 **and retires within sixty days of termination,** who has not been a retiree of the system [in
3 which such employee is currently receiving creditable or credited service], who is eligible to
4 receive a normal annuity pursuant to section 104.080, 104.090, 104.100, 104.271, or 104.400,
5 or a life [and any temporary] annuity pursuant to section 104.1024, and whose annuity
6 commences **on or after January 1, 2010, but** no later than September 1, [2003] **2010,** shall be
7 eligible to receive the medical benefits described in section 104.403. **This subsection shall not**
8 **apply to any employee whose eligibility to retire is based solely on early retirement**
9 **eligibility. Any employee eligible to receive the medical benefits described in this section**
10 **and section 104.403 who terminates employment before the effective date of this section**
11 **shall be made, constituted and appointed by the board as a special consultant on the**
12 **problems of retirement, aging, and other matters relating to retirement and shall be eligible**
13 **for additional compensation. As additional compensation for such services, each special**
14 **consultant shall be eligible for the benefits described in this subsection. In no event shall**
15 **any medical benefits described in section 104.403 be provided for any time period prior to**
16 **the effective date of this section.**

17 2. [An employee who would be eligible to receive a normal annuity pursuant to section
18 104.080, 104.090, 104.100, 104.271, or 104.400, or a life and any temporary annuity pursuant
19 to section 104.1024, no later than January 1, 2004, shall be eligible to retire based on the
20 employee's creditable or credited service and the average compensation or final average pay on
21 the employee's date of termination of employment if the employee applies to retire and whose

22 annuity commences no later than September 1, 2003. Such employee who so retires shall be
23 eligible to receive the medical benefits described in subsection 1 of this section.

24 3. Any employee described in subsections 1 and 2 of this section who otherwise would
25 be eligible to elect to receive benefits under the provisions of sections 104.625 and 104.1024,
26 by no later than January 1, 2004, shall be eligible to elect to receive benefits pursuant to sections
27 104.625 and 104.1024; except that in no event shall a lump sum payment be made for any time
28 period after the employee's annuity starting date.

29 4. A retiree whose retirement annuity commenced on or after February 1, 2003, but no
30 later than September 1, 2003, shall be eligible to receive the medical benefits described in section
31 104.403.

32 5.] The state may hire employees to replace those employees retiring pursuant to this
33 section and section 104.403, except that departments shall not fill [more than twenty-five percent
34 of] those positions vacated **using more than fifty percent of the personal service funds of**
35 **those positions vacated.** [Exceptions to the twenty-five percent restriction may be made for
36 critical or seasonal positions or positions which are entirely federally funded. Such
37 determination shall be made by rule and regulation promulgated by the office of administration.
38 The provisions of this subsection shall not apply to Truman University, Lincoln University or
39 the educational institutions described in section 174.020, RSMo.

40 6. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
41 is created under the authority delegated in this section shall become effective only if it complies
42 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section
43 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers
44 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the
45 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
46 grant of rulemaking authority and any rule proposed or adopted after August 28, 2003, shall be
47 invalid and void.

48 7.] **3.** The Missouri state employees' retirement system [and the highways and
49 transportation employees' and highway patrol retirement system] shall make a report in writing
50 to the [governor,] commissioner of administration[, and the general assembly] by [April 1, 2004,
51 and in addition shall provide monthly tracking of the effect of state employee retirements
52 pursuant to this section and section 104.403. The report shall cover the time period of February
53 1, 2003, to January 31, 2004. The report shall include the number of such retirements, the
54 amount of payroll affected as a result of retirements, and the financial effect of such retirements
55 as expressed in a report by each system's actuary] **October 31, 2010, regarding the number of**
56 **state employees eligible to retire under this section and the number of actual retirements**
57 **under this section. The Missouri consolidated health care plan shall report in writing by**

58 **October 31, 2010, to the commissioner of administration regarding the premium costs**
59 **associated with state employees who retired under this section compared to what the costs**
60 **would have been based on retiree rates. The commissioner of administration shall report**
61 **in writing by January 31, 2011, to the governor and the general assembly regarding the**
62 **information provided by the Missouri state employees' retirement system and the Missouri**
63 **consolidated health care plan, including an analysis of the costs and savings as a result of**
64 **such retirements and the amount of payroll reduced and the number of positions that are**
65 **core cut as a result of such retirements. Thereafter, the commissioner of administration**
66 **shall make such report in writing by January thirty-first of 2012, 2013, 2014, and 2015,**
67 **which shall include updated information from the Missouri state employees' retirement**
68 **system and the Missouri consolidated health care plan.**

69 [8. The office of administration shall make a report in writing to the governor and the
70 general assembly by April 1, 2004, and in addition shall provide monthly tracking of the
71 budgetary effect of state employee retirements pursuant to this section and section 104.403. The
72 report shall include the amount of payroll reduced as a result of such retirements, the number of
73 positions that are core cut as a result of such retirements, the number of employees employed to
74 replace those who retired pursuant to this section, and the financial effect on the budget,
75 including any costs associated with payment of medical premiums by the state.

76 9. The Missouri consolidated health care plan shall make a report in writing to the
77 governor and the general assembly by April 1, 2004, and in addition shall provide monthly
78 tracking of the effect of state employee retirements pursuant to this section and section 104.403.
79 The report may include, and not be limited to, the amount of payroll reduced as a result of such
80 retirements, the number of positions that are core cut as a result of such retirements, the number
81 of employees employed to replace those who retired pursuant to this section, and the financial
82 effect on the budget, including any costs associated with payment of medical premiums by the
83 state.]

Section B. Because immediate action is necessary to address the current fiscal crisis, the
2 repeal and reenactment of section A of this act is deemed necessary for the immediate
3 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an
4 emergency act within the meaning of the constitution, and the repeal and reenactment of section
5 A of this act shall be in full force and effect upon its passage and approval.

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