

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NOS. 1741 & 1543

96TH GENERAL ASSEMBLY

5809L.03P

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal sections 50.1130, 50.1140, 104.1205, and 104.1215, RSMo, and to enact in lieu thereof four new sections relating to retirement benefits.

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

Section A. Sections 50.1130, 50.1140, 104.1205, and 104.1215, RSMo, are repealed and  
2 four new sections enacted in lieu thereof, to be known as sections 50.1130, 50.1140, 104.1205,  
3 and 104.1215, to read as follows:

50.1130. 1. **Notwithstanding the provisions of section 50.1150 to the contrary**, a  
2 death benefit of ten thousand dollars **and, in the case of an active member who dies after**  
3 **December 31, 2002, and before becoming vested, an amount equal to the amount of the**  
4 **member's accumulated contributions standing to his or her credit in the fund** shall be paid  
5 to the designated beneficiary of every active member upon his or her death or, if the member fails  
6 to designate a beneficiary, then to the member's surviving spouse or, if there is no spouse, then  
7 in equal shares to the member's surviving children. If there is neither a surviving spouse or  
8 surviving children, then the benefit shall be paid to the active member's estate.

9 2. If the member executes a beneficiary designation form and lists more than one  
10 beneficiary but fails to list the percentage of benefit that each beneficiary should receive, then  
11 the benefit shall be divided equally among the named beneficiaries.

50.1140. 1. Upon termination of employment, any member with less than eight years  
2 of creditable service shall forfeit all rights in the fund, including the member's accrued creditable  
3 service as of the date of the member's termination of employment, but may receive any refund  
4 of contributions to which the member is entitled pursuant to subsection 3 of this section **or**  
5 **subsection 1 of section 50.1130.**

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.

6           2. A member who terminates employment with at least eight years of creditable service  
7 shall be entitled to an annuity from the fund, determined in accordance with the formula  
8 described in section 50.1060. The member may elect to defer the receipt of his or her annuity,  
9 until the member's attainment of age sixty-two, or the member may elect to begin receiving his  
10 or her annuity on the first day of any month following the later of the date of termination of  
11 employment or age fifty-five. If the member begins receiving an annuity before age sixty-two  
12 and termination of employment occurs on or after age fifty-five, the annuity shall be reduced by  
13 four-tenths of one percent for each month the commencement date of the annuity precedes age  
14 sixty-two, and an additional three-tenths of one percent for each month the commencement date  
15 of the annuity precedes age sixty.

16           3. In the event a member ceases to be a member other than by death before the date the  
17 member becomes vested in the system, the member shall be paid, upon his or her written  
18 application filed with the board, the member's accumulated contributions standing to his or her  
19 credit in the members' deposit fund.

20           4. A former member who has forfeited creditable service may have the creditable service  
21 restored by again becoming an employee, completing a total of eight years of uninterrupted  
22 creditable service, and purchasing the forfeited service by paying into the fund the forfeited  
23 amount previously refunded to the participant or credited to the participant's county plus interest  
24 equal to the current prime rate plus two percent.

104.1205. The board of trustees of the Missouri state employees' retirement system shall:

2           (1) Establish a defined contribution plan for outside employees which, among other  
3 things, provides for immediate vesting;

4           (2) Select a third-party administrator to provide such services as the board determines  
5 to be necessary for the proper administration of the defined contribution plan;

6           (3) Select the investment products which shall be made available to the participants in  
7 the defined contribution plan;

8           (4) Annually establish the contribution rate used for purposes of subsection 3 of section  
9 104.1066 for employees of institutions who are other than outside employees, which shall be  
10 done by considering all such employees to be part of the general employee population within the  
11 Missouri state employees' retirement system;

12           (5) Establish the contribution rate **to be used by institutions for purposes of making**  
13 **employer contributions** for outside employees which shall be equal to one percent of payroll  
14 less than the normal cost contribution rate established pursuant to subdivision (4) of this section;  
15 **provided that on and after July 1, 2013:**

16           (a) **The contribution rate to be used by institutions for purposes of making**  
17 **employer contributions for outside employees shall be equal to seven percent of payroll;**

18           **(b) Each institution may, by resolution of its governing body, prospectively require**  
19 **its outside employees hired on or after July 1, 2013, to contribute an additional amount up**  
20 **to four percent of pay; and**

21           **(c) Each institution requiring employee contributions shall pick up and pay such**  
22 **contributions pursuant to 26 U.S.C. Section 414(h)(2); and**

23           (6) Establish such rules and regulations as may be necessary to carry out the purposes  
24 of this section.

104.1215. 1. Any outside employee who has participated in the defined contribution  
2 plan established pursuant to sections 104.1200 to 104.1215 for at least six years may elect to  
3 become a member of the Missouri state employees' retirement system. Such employee shall:

4           (1) Make such election while actively employed in a position that would otherwise be  
5 eligible for membership in the Missouri state employees' retirement system except for the  
6 provisions of sections 104.1200 to 104.1215;

7           (2) Participate in the year 2000 plan;

8           (3) Be considered to have met the service requirements contained in section 104.1018;

9           (4) Not receive any credited service for service rendered while a participant in such  
10 defined contribution plan;

11           (5) Forfeit any right to future participation in the defined contribution plan after such  
12 election; and

13           (6) Not be eligible to receive credited service pursuant to section 104.1090 based on  
14 service rendered while a participant in such defined contribution plan.

15           **2. The provisions of subsection 1 of this section shall not apply to any outside**  
16 **employee who first becomes an outside employee on or after July 1, 2013.**

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