

FIRST REGULAR SESSION

HOUSE BILL NO. 940

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE JONES.

1293H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 104.1003, RSMo, and to enact in lieu thereof one new section relating to annuity caps for salaries greater than the governor's salary.

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

Section A. Section 104.1003, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 104.1003, to read as follows:

104.1003. 1. Unless a different meaning is plainly required by the context, the following words and phrases as used in sections 104.1003 to 104.1093 shall mean:

(1) "Act", the year 2000 plan created by sections 104.1003 to 104.1093;

(2) "Actuary", an actuary who is experienced in retirement plan financing and who is either a member of the American Academy of Actuaries or an enrolled actuary under the Employee Retirement Income Security Act of 1974;

(3) "Annuity", annual benefit amounts, paid in equal monthly installments, from funds provided for in, or authorized by, sections 104.1003 to 104.1093;

(4) "Annuity starting date" means the first day of the first month with respect to which an amount is paid as an annuity pursuant to sections 104.1003 to 104.1093;

(5) "Beneficiary", any persons or entities entitled to receive an annuity or other benefit pursuant to sections 104.1003 to 104.1093 based upon the employment record of another person;

(6) "Board of trustees", "board", or "trustees", a governing body or bodies established for the year 2000 plan pursuant to sections 104.1003 to 104.1093;

(7) "Closed plan", a benefit plan created pursuant to this chapter and administered by a system prior to July 1, 2000. No person first employed on or after July 1, 2000, shall become

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 a member of the closed plan, but the closed plan shall continue to function for the benefit of
18 persons covered by and remaining in the closed plan and their beneficiaries;

19 (8) "Consumer price index", the Consumer Price Index for All Urban Consumers for the
20 United States, or its successor index, as approved by the board, as such index is defined and
21 officially reported by the United States Department of Labor, or its successor agency;

22 (9) "Credited service", the total credited service to a member's credit as provided in
23 sections 104.1003 to 104.1093; except that in no case shall more than one day of credited service
24 be credited to any member or vested former member for any one calendar day of eligible credit
25 as provided by law;

26 (10) "Department", any department or agency of the executive, legislative, or judicial
27 branch of the state of Missouri receiving state appropriations, including allocated funds from the
28 federal government but not including any body corporate or politic unless its employees are
29 eligible for retirement coverage from a system pursuant to this chapter as otherwise provided by
30 law;

31 (11) "Early retirement eligibility", a member's attainment of fifty-seven years of age and
32 the completion of at least five years of credited service;

33 (12) "Effective date", July 1, 2000;

34 (13) "Employee" shall be any person who is employed by a department and is paid a
35 salary or wage by a department in a position normally requiring the performance of duties of not
36 less than one thousand forty hours per year, provided:

37 (a) The term "employee" shall not include any patient or inmate of any state, charitable,
38 penal or correctional institution, or any person who is employed by a department in a position
39 that is covered by a state-sponsored defined benefit retirement plan not created by this chapter;

40 (b) The term "employee" shall be modified as provided by other provisions of sections
41 104.1003 to 104.1093;

42 (c) The system shall consider a person who is employed in multiple positions
43 simultaneously within a single agency to be working in a single position for purposes of
44 determining whether the person is an employee as defined in this subdivision;

45 (d) Beginning September 1, 2001, the term "year" as used in this subdivision shall mean
46 the twelve-month period beginning on the first day of employment;

47 (e) The term "employee" shall include any person as defined under paragraph (b) of
48 subdivision (21) of subsection 1 of section 104.010 who is first employed on or after July 1,
49 2000, but prior to August 28, 2007;

50 (14) "Employer", a department;

51 (15) "Executive director", the executive director employed by a board established
52 pursuant to the provisions of sections 104.1003 to 104.1093;

53 (16) "Final average pay", the average pay of a member for the thirty-six full consecutive
54 months of service before termination of employment when the member's pay was greatest; or if
55 the member was on workers' compensation leave of absence or a medical leave of absence due
56 to an employee illness, the amount of pay the member would have received but for such leave
57 of absence as reported and verified by the employing department; or if the member was
58 employed for less than thirty-six months, the average monthly pay of a member during the period
59 for which the member was employed. The board of each system may promulgate rules for
60 purposes of calculating final average pay and other retirement provisions to accommodate for
61 any state payroll system in which pay is received on a monthly, semimonthly, biweekly, or other
62 basis;

63 (17) "Fund", a fund of the year 2000 plan established pursuant to sections 104.1003 to
64 104.1093;

65 (18) "Investment return", or "interest", rates as shall be determined and prescribed from
66 time to time by a board;

67 (19) "Member", a person who is included in the membership of the system, as set forth
68 in section 104.1009;

69 (20) "Normal retirement eligibility", a member's attainment of at least sixty-two years
70 of age and the completion of at least five or more years of credited service or, the attainment of
71 at least forty-eight years of age with a total of years of age and years of credited service which
72 is at least eighty or, in the case of a member of the highway patrol who shall be subject to the
73 mandatory retirement provisions of section 104.080, the mandatory retirement age and
74 completion of five years of credited service or, the attainment of at least forty-eight years of age
75 with a total of years of age and years of credited service which is at least eighty;

76 (21) "Pay" shall include:

77 (a) All salary and wages payable to an employee for personal services performed for a
78 department; but excluding:

79 a. Any amounts paid after an employee's employment is terminated, unless the payment
80 is made as a final installment of salary or wages at the same rate as in effect immediately prior
81 to termination of employment in accordance with a state payroll system adopted on or after
82 January 1, 2000;

83 b. Any amounts paid upon termination of employment for unused annual leave or unused
84 sick leave;

85 c. Pay in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue
86 Code of 1986 as amended and other applicable federal laws or regulations;

87 d. Any nonrecurring single sum payments; [and]

88 e. Any amounts for which contributions have not been made in accordance with section
89 104.1066; **and**

90 **f. For members who first become employees on or after August 28, 2015, the**
91 **amount of the member's monthly pay which exceeds one-twelfth of the governor's annual**
92 **pay, as provided under sections 26.010 and 105.005;**

93 (b) All salary and wages which would have been payable to an employee on workers'
94 compensation leave of absence during the period the employee is receiving a weekly workers'
95 compensation benefit, as reported and verified by the employing department;

96 (c) All salary and wages which would have been payable to an employee on a medical
97 leave due to employee illness, as reported and verified by the employing department;

98 (d) For purposes of members of the general assembly, pay shall be the annual salary
99 provided to each senator and representative pursuant to section 21.140, plus any salary
100 adjustment pursuant to section 21.140;

101 (22) "Retiree", a person receiving an annuity from the year 2000 plan based upon the
102 person's employment record;

103 (23) "State", the state of Missouri;

104 (24) "System" or "retirement system", the Missouri state employees' retirement system
105 or the Missouri department of transportation and highway patrol employees' retirement system,
106 as the case may be;

107 (25) "Vested former member", a person entitled to receive a deferred annuity pursuant
108 to section 104.1036;

109 (26) "Year 2000 plan", the benefit plan created by sections 104.1003 to 104.1093.

110 2. Benefits paid under the provisions of this chapter shall not exceed the limitations of
111 Internal Revenue Code Section 415, the provisions of which are hereby incorporated by
112 reference. Notwithstanding any other law to the contrary, the board of trustees may establish a
113 benefit plan under Section 415(m) of the Internal Revenue Code of 1986, as amended. Such plan
114 shall be created solely for the purposes described in Section 415(m)(3)(A) of the Internal
115 Revenue Code of 1986, as amended. The board of trustees may promulgate regulations
116 necessary to implement the provisions of this subsection and to create and administer such
117 benefit plan.

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