

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1134

98TH GENERAL ASSEMBLY

2425H.03P

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 state employee health care incentives.

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Section A. Sections 104.403 and 104.404, RSMo, are repealed and two new sections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, **but not including a current or former**
2 **member of the general assembly or statewide elected official**, who retires pursuant to section
3 104.404, and who is also eligible for medical coverage as described in section 103.115, shall be
4 eligible to apply for the following coverage:

5 (1) Such retiree may elect to continue coverage for himself or herself and any eligible
6 dependents at the same cost as if such retiree was an active employee;

7 (2) Such retiree may continue to pay the applicable rate as if the retiree were an active
8 employee for a maximum period of five years or upon becoming eligible for Medicare,
9 whichever occurs first; and

10 (3) After five years or upon becoming eligible for Medicare, the cost for medical
11 coverage for such retiree and any dependents shall revert to the applicable rate in place at that
12 time.

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

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

 104.404. 1. An employee who has not been a retiree of the system in which such
2 employee is currently receiving creditable or credited service, who is eligible to receive a normal
3 annuity pursuant to section 104.080, 104.090, 104.100, 104.271, or 104.400, or a life and any
4 temporary annuity pursuant to section 104.1024, and whose annuity commences no later than
5 [September 1, 2003,] **November 1, 2015**, shall be eligible to receive the medical benefits
6 described in section 104.403.

7 2. [An employee who would be eligible to receive a normal annuity pursuant to section
8 104.080, 104.090, 104.100, 104.271, or 104.400, or a life and any temporary annuity pursuant
9 to section 104.1024, no later than January 1, 2004, shall be eligible to retire based on the
10 employee's creditable or credited service and the average compensation or final average pay on
11 the employee's date of termination of employment if the employee applies to retire and whose
12 annuity commences no later than September 1, 2003. Such employee who so retires shall be
13 eligible to receive the medical benefits described in subsection 1 of this section.

14 3. Any employee described in subsections 1 and 2 of this section who otherwise would
15 be eligible to elect to receive benefits under the provisions of sections 104.625 and 104.1024,
16 by no later than January 1, 2004, shall be eligible to elect to receive benefits pursuant to sections
17 104.625 and 104.1024; except that in no event shall a lump sum payment be made for any time
18 period after the employee's annuity starting date.

19 4.] A retiree whose retirement annuity commenced on or after [February 1, 2003] **March**
20 **1, 2015**, but no later than [September 1, 2003] **November 1, 2015**, shall be eligible to receive
21 the medical benefits described in section 104.403.

22 [5.] 3. The state may hire employees to replace those employees retiring pursuant to this
23 section and section 104.403, except that departments shall not fill more than twenty-five percent
24 of those positions vacated. Exceptions to the twenty-five percent restriction may be made for
25 critical or seasonal positions or positions which are entirely federally funded. Such

26 determination shall be made by rule and regulation promulgated by the office of administration.
27 The provisions of this subsection shall not apply to Truman University, Lincoln University or
28 the educational institutions described in section 174.020.

29 [6.] 4. Any rule or portion of a rule, as that term is defined in section 536.010, that is
30 created under the authority delegated in this section shall become effective only if it complies
31 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
32 This section and chapter 536 are nonseverable and if any of the powers vested with the general
33 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
34 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
35 any rule proposed or adopted after August 28, [2003] **2015**, shall be invalid and void.

36 [7.] 5. The Missouri state employees' retirement system and the highways and
37 transportation employees' and highway patrol retirement system, **if applicable**, shall make a
38 report in writing to the governor[,] **and** commissioner of administration[, and the general
39 assembly by April 1, 2004,] **by December 1, 2015**, and in addition shall provide [monthly
40 tracking] **a report** of the effect of state employee retirements pursuant to this section and section
41 104.403. [The report shall cover the time period of February 1, 2003, to January 31, 2004.] The
42 report shall include the number of such retirements, the amount of payroll affected as a result of
43 retirements, and the financial effect of such retirements as expressed in a report by each system's
44 actuary.

45 [8.] 6. The office of administration shall make a report in writing to the governor and the
46 general assembly by [April 1, 2004,] **March 1, 2016**, and in addition shall provide [monthly
47 tracking] **a report** of the budgetary effect of state employee retirements [pursuant] **relative** to
48 **the effect of** this section and section 104.403. The report shall include the amount of payroll
49 reduced as a result of such retirements, the number of positions that are core cut as a result of
50 such retirements, the number of employees employed to replace those who retired pursuant to
51 this section, and the financial effect on the budget, including any costs associated with payment
52 of medical premiums by the state.

53 [9.] 7. The Missouri consolidated health care plan shall make a report in writing to the
54 [governor and the general assembly by April 1, 2004, and in addition shall provide monthly
55 tracking] **office of administration by December 1, 2015**, of the effect of state not be limited to,
56 the amount of payroll reduced as a result of such retirements, the number of positions that are
57 core cut as a result of such retirements, the number of employees employed to replace those who
58 retired pursuant to this section, and the financial effect on the budget, including any costs
59 associated with payment of medical premiums by the state.

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