

FIRST REGULAR SESSION

HOUSE BILL NO. 819

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RONE.

1951H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 70.730, RSMo, and to enact in lieu thereof one new section relating to refunds of accumulated retirement benefit funds.

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

Section A. Section 70.730, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 70.730, to read as follows:

70.730. 1. Each employer's contributions to the system shall be the total of the contribution amounts provided for in subsections 2 through 5 of this section; provided, that such contributions shall be subject to the provisions of subsection 6 of this section.

2. An employer's normal cost contributions shall be determined as follows: using the financial assumptions adopted by the board from time to time, the actuary shall annually compute the rate of contributions which, if paid annually by each employer during the total service of its members, will be sufficient to provide the pension reserves required at the time of their retirements to cover the pensions to which they might be entitled or which might be payable on their behalf. The board shall annually certify to the governing body of each employer the amount of membership service contribution so determined, and each employer shall pay such amount to the system during the employer's next fiscal year which begins six months or more after the date of such board certification. Such payments shall be made in such manner and form and in such frequency and shall be accompanied by such supporting data as the board shall from time to time determine. When received, such payments shall be credited to the employer's account in the employer accumulation fund.

3. An employer's accrued service contributions shall be determined as follows: using the financial assumptions adopted by the board from time to time, the actuary shall annually

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.

18 compute for each employer the portions of pension reserves for pensions which will not be
19 provided by future normal cost contributions. The accrued service pension reserves so
20 determined for each employer less the employer's applicable balance in the employer
21 accumulation fund shall be amortized over a period of years, as determined by the board. Such
22 period of years shall not extend beyond the latest of:

23 (1) Forty years from the date the political subdivision became an employer[, or] ;

24 (2) Thirty years from the date the employer last elected to increase its optional benefit
25 program[,] ; or

26 (3) Fifteen years from the date of the annual actuarial computation.

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28 The board shall annually certify to the governing body of each employer the amount of accrued
29 service contribution so determined for the employer, and each employer shall pay such amount
30 to the system during the employer's next fiscal year which begins six months or more after the
31 date of such board certification. Such payments shall be made in such manner and form and in
32 such frequency and shall be accompanied by such supporting data as the board shall from time
33 to time determine. When received, such payments shall be credited to the employer's account
34 in the employer accumulation fund.

35 4. The employer's contributions for the portions of disability pensions or pensions that
36 result from a member's death that was the natural and proximate result of a personal injury or
37 disease arising out of and in the course of his or her actual performance of duty as an employee
38 not covered by accrued service pension reserves shall be determined on a one-year term basis.
39 The board may determine different rates of contributions for employers having policeman
40 members or having fireman members or having neither policeman members nor fireman
41 members. The board shall annually certify to the governing body of each employer the amount
42 of contribution so ascertained for the employer, and each employer shall pay such amount to the
43 system during the employer's next fiscal year which begins six months or more after the date of
44 such board certification. Such payments shall be made in such manner and form and in such
45 frequency and shall be accompanied by such supporting data as the board shall from time to time
46 ascertain. When received, such payments shall be credited to the casualty reserve fund.

47 5. Each employer shall provide its share, as determined by the board, of the
48 administrative expenses of the system and shall pay the same to the system to be credited to the
49 income-expense fund.

50 6. The employer's total contribution to the system, expressed as a percent of active
51 member compensations, in any employer fiscal year, beginning with the second fiscal year that
52 the political subdivision is an employer, shall not exceed its total contributions for the

53 immediately preceding fiscal year, expressed as a percent of active member compensations, by
54 more than one percent.

55 **7. Notwithstanding any provision to the contrary in sections 70.600 to 70.755, any**
56 **hospital which is owned by any political corporation or subdivision of this state that is an**
57 **employer as defined in section 70.600 may request a refund of accumulated funds any time**
58 **the accrued actuarial value of the employer's employer accumulation fund is greater than**
59 **one hundred ten percent. The refunded amount shall not be greater than the actuarial**
60 **value of assets determined on the actuarial valuation date minus one hundred ten percent**
61 **of the entry age actuarial accrued liability as determined by the actuary on the actuarial**
62 **valuation date using the financial assumptions adopted by the board from time to time.**
63 **Any annual contribution shortage shall be deducted from such refund.**

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