

FIRST REGULAR SESSION

SENATE BILL NO. 154

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHAAF.

Read 1st time January 24, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

1089S.011

AN ACT

To repeal section 70.660, RSMo, and to enact in lieu thereof one new section relating to the Missouri local government employees' retirement system.

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

Section A. Section 70.660, RSMo, is repealed and one new section enacted
2 in lieu thereof, to be known as section 70.660, to read as follows:

70.660. 1. Except as otherwise provided herein, before the date the first
2 payment of a person's allowance becomes due but not thereafter, a person about
3 to become a retirant may elect to receive his or her allowance for life with or
4 without a partial lump-sum distribution, as provided in this subsection. A person
5 about to become a retirant may elect to receive a partial lump-sum distribution
6 equal to twenty-four times the amount of his or her monthly allowance for life,
7 not including any monthly temporary allowance which may be payable. Such
8 lump sum shall be paid to the retirant, upon written application to the board, not
9 fewer than ninety days nor more than one hundred fifty days after the date the
10 first payment of his or her monthly allowance becomes due. The retirant's
11 monthly life allowance shall be reduced to eighty-four percent if the retirant's age
12 at the time of retirement is sixty, which percent shall be decreased by four-
13 tenths of one percent for each year the retirant's age at the time of retirement is
14 greater than sixty, or which percent shall be increased by four-tenths of one
15 percent for each year the retirant's age at the time of retirement is less than
16 sixty, **up to a maximum of ninety percent**. The reductions in monthly life
17 allowance in this subsection shall be calculated and applied before any reductions
18 under subsection 2 of this section are calculated and applied.

19 2. Before the date the first payment of a person's allowance becomes due
20 but not thereafter, a person about to become a retirant may elect to have his or

21 her allowance for life reduced but not any temporary allowance which may be
22 payable, and nominate a beneficiary, as provided by option A, B, C, or D set forth
23 below:

24 (1) Option A. Under option A, a retirant's allowance payable to the
25 retirant shall be reduced to a certain percent of the allowance otherwise payable
26 to the retirant. If such first payment due date is on or after October 1, 1998, such
27 percent shall be eighty-five percent if the retirant's age and the retirant's
28 beneficiary's age are the same on such first due date, which shall be decreased
29 by three-quarters of one percent for each year that the beneficiary's age is less
30 than the retirant's age, or which shall be increased by three-quarters of one
31 percent, up to a maximum of ninety percent, for each year that the beneficiary's
32 age is more than the retirant's age. Upon the retirant's death three-quarters of
33 the retirant's reduced allowance to which the retirant would have been entitled
34 had the retirant lived shall be paid to his or her surviving beneficiary, nominated
35 before such first payment due date but not thereafter, who was the retirant's
36 spouse for not less than the two years immediately preceding such first payment
37 due date, or another person aged forty years or older receiving more than one-half
38 support from the retirant for not less than the two years immediately preceding
39 such first payment due date.

40 (2) Option B. Under option B, a retirant's allowance payable to the
41 retirant shall be reduced to a certain percent of the allowance otherwise payable
42 to the retirant. If such first payment due date is on or after October 1, 1998, such
43 percent shall be ninety percent if the retirant's age and the retirant's
44 beneficiary's age are the same on such first payment due date, which shall be
45 decreased by one-half of one percent for each year that the beneficiary's age is
46 less than the retirant's age, or which shall be increased by one-half of one
47 percent, up to a maximum of ninety-five percent for each year that the
48 beneficiary's age is more than the retirant's age. Upon the retirant's death
49 one-half of his or her reduced allowance to which the retirant would have been
50 entitled had the retirant lived shall be paid to the retirant's surviving beneficiary,
51 nominated before such first payment due date but not thereafter, who was either
52 the retirant's spouse for not less than the two years immediately preceding such
53 first payment due date, or another person aged forty years or older receiving more
54 than one-half support from the retirant for not less than the two years
55 immediately preceding such first payment due date.

56 (3) Option C. Under option C, a retirant's allowance payable to the

57 retirant shall be reduced to ninety-five percent of the allowance otherwise payable
58 to the retirant if such first payment due date is on or after October 1, 1998. If
59 the retirant dies before having received one hundred twenty monthly payments
60 of his or her reduced allowance, his or her reduced allowance to which the
61 retirant would have been entitled had the retirant lived shall be paid for the
62 remainder of the one hundred twenty months' period to such person as the
63 retirant shall have nominated by written designation duly executed and filed with
64 the board. If there is no such beneficiary surviving the retirant, the reserve for
65 such allowance for the remainder of such one hundred twenty months' period
66 shall be paid to the retirant's estate.

67 (4) Option D. Some other option approved by the board which shall be the
68 actuarial equivalent of the allowance to which the member is entitled under this
69 system.

70 3. The death of the beneficiary designated under option A or B of
71 subsection 2 of this section before the death of the retirant after retirement shall,
72 upon written notification to the system of the death of the beneficiary, cancel any
73 optional plan elected at retirement to provide continuing lifetime benefits to the
74 beneficiary and shall return the retirant to his or her single lifetime benefit
75 equivalent, to be effective the month following receipt of the written notification
76 of the death of the beneficiary by the system.

77 4. If a member fails to elect a benefit option under subsection 2 of this
78 section, his or her allowance for life shall be paid to the member as a single
79 lifetime benefit.

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