

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 768
100TH GENERAL ASSEMBLY

Reported from the Committee on Health and Pensions, March 5, 2020, with recommendation that the Senate Committee Substitute do pass.

3340S.02C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal section 70.705, RSMo, and to enact in lieu thereof one new section relating to member contribution amounts for the Missouri local government employees' retirement system.

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

Section A. Section 70.705, RSMo, is repealed and one new section enacted
2 in lieu thereof, to be known as section 70.705, to read as follows:

70.705. 1. The "Members Deposit Fund" is hereby created. It shall be the
2 fund in which shall be accumulated the contributions made by members to the
3 system, and from which shall be made transfers and refunds of members'
4 contributions as provided in sections 70.600 to 70.755.

5 2. Except as provided otherwise in this section, the contributions of a
6 member to the system shall be four percent of his compensations after the date
7 he has completed sufficient employment for six months of credited service. Such
8 contributions shall be made notwithstanding that the minimum salary or wages
9 provided by law for any member shall thereby be changed. Each member shall
10 be deemed to consent and agree to the deductions made and provided for
11 herein. Payment of a member's compensation less such deductions shall be a full
12 and complete discharge and acquittance of all claims and demands whatsoever
13 for services rendered by him to a political subdivision, except as to benefits
14 provided by this system.

15 3. The officer or officers responsible for making up the payrolls for each
16 political subdivision shall cause the contributions provided for in this section to
17 be deducted from the compensation of each member in the employ of the political
18 subdivision, on each and every payroll, for each and every payroll period after the
19 date he has completed sufficient employment for six months of credited service

20 to the date his membership terminates. When deducted, each of these amounts
21 shall be paid by the political subdivision to the system; the payments shall be
22 made in the manner and shall be accompanied by such supporting data as the
23 board shall from time to time prescribe. When paid to the system, each of the
24 amounts shall be credited to the members deposit fund account of the member
25 from whose compensations the contributions were deducted.

26 4. In addition to the contributions deducted from the compensations of a
27 member, as heretofore provided, a member shall deposit in the members deposit
28 fund, by a single contribution or by an increased rate of contributions, as
29 approved by the board, the amount or amounts he may have withdrawn therefrom
30 and not repaid thereto, together with regular interest from the date of withdrawal
31 to the date of repayment. In no case shall a member be given credit for service
32 rendered prior to the date he withdrew his accumulated contributions until he
33 returns to the members deposit fund all amounts due the fund by him.

34 5. Upon the retirement of a member, or upon his death if an allowance
35 becomes payable on account of his death, his accumulated contributions shall be
36 transferred to the benefit reserve fund.

37 6. Each political subdivision, by majority vote of its governing body, may
38 elect with respect to its members **an alternate contribution amount of two**
39 **percent or six percent of compensation, or** to eliminate future member
40 contributions otherwise provided for in this section. **Should a political**
41 **subdivision elect one benefit program for members whose political**
42 **subdivision employment is concurrently covered by federal Social**
43 **Security and a different benefit program for members whose political**
44 **subdivision employment is not concurrently covered by federal Social**
45 **Security, as provided in section 70.655, the political subdivision may**
46 **also, by majority vote of its governing body, make one election**
47 **concerning member contributions provided for in this section for**
48 **members whose political subdivision employment is concurrently**
49 **covered by federal Social Security and one election concerning member**
50 **contributions provided for in this section for members whose political**
51 **subdivision employment is not concurrently covered by federal Social**
52 **Security.** The clerk or secretary of the political subdivision shall certify the
53 election concerning member contributions to the board within ten days after such
54 vote. The effective date of the political subdivision's member contribution election
55 is the first day of the calendar month specified by such governing body, or the

56 first day of the calendar month next following receipt by the board of the
57 certification of such election, or the effective date of the political subdivision's
58 becoming an employer, whichever is the latest. Such election concerning member
59 contributions may be changed from time to time by such vote, but not more often
60 than once in two years. Except as provided in section 70.707, if such election is
61 to eliminate member contributions, then such election shall apply only to future
62 member compensations and shall not change the status of any member
63 contributions made before such election. If the effect of such election is to require
64 member contributions, then such election shall apply only to future member
65 compensations and shall not change any member contribution requirements
66 existing before such election. Should an employer change its member
67 contribution requirements as provided in this section, the employer contribution
68 requirements shall be correspondingly changed effective the same date as the
69 member contribution change. The limitation on increases in an employer's
70 contribution provided by subsection 6 of section 70.730 shall not apply to any
71 contribution increase resulting from an employer electing to eliminate member
72 contributions.

Bill ✓

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