



## **Sub. H.B. 373**

124th General Assembly

(As Reported by H. Retirement and Aging)

**Reps. Hughes, Womer Benjamin, Jones, Willamowski, Manning, Flowers, Ogg, Hollister, Schaffer, Boccieri, Lendrum, Brown, Schuring, Schneider**

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### **BILL SUMMARY**

- Creates an option in the State Highway Patrol Retirement System (SHPRS) of having an age and service retirement benefit consist of a partial benefit lump sum and a reduced monthly pension.
- Includes in a refund of an SHPRS member's contributions any amounts paid by the member to purchase service credit.
- Permits disability of an SHPRS member to be determined based on a psychological examination.

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### **CONTENT AND OPERATION**

#### **Partial lump sum annuity option**

(sec. 5505.162; ancillary sections: 5505.163 and 5505.178)

#### **Existing law**

A member of the State Highway Patrol Retirement System (SHPRS) may, on application for retirement, choose to receive a pension in one of two forms. The member may elect (1) a single lifetime pension, or (2) the actuarial equivalent of the single lifetime pension in a lesser amount payable for the member's life and continuing after the member's death to a surviving beneficiary under one of several plans.<sup>1</sup>

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<sup>1</sup> *The plans provide for continuation of benefits as follows: (1) the member's lesser pension to the member's sole beneficiary, (2) a portion of the member's lesser pension to the member's sole beneficiary, or (3) on death before the expiration of a certain period*

### **The bill**

The bill gives a member a third option on application for retirement. Under this option, a member may elect to receive a pension consisting of both a partial benefit lump sum, in an amount the member designates that constitutes a portion of the single lifetime pension, and the actuarial equivalent of the remainder of the single lifetime pension payable for the member's life. To be eligible for this option, a member must have attained age 51 with at least 25 years of total service or age 52 with at least 20 years of total service. An actuary employed by SHPRS must certify the actuarial equivalent and the SHPRS Board must approve the partial benefit lump sum payment and the amount to be paid as the actuarial equivalent.

The amount designated by a member must not be less than six times the monthly amount that would be payable to the member as a single lifetime pension and not more than 60 times that amount.

A member who has attained age 51 with 25 years of total service may designate an amount that does not exceed one month's pension for each month of service beyond 25 years. A member who has attained age 52 with 20 years of total service may designate an amount that does not exceed one month's pension for each month of service beyond 20 years.

### **Accumulated contributions**

(sec. 5505.01)

Under existing law, an SHPRS member who ceases to be an employee of the State Highway Patrol for any reason except death, disability, or retirement must on application be paid accumulated contributions, less interest, standing to the credit of the member's individual account in the employees' savings fund. If a member dies and no SHPRS pension becomes payable, the member's accumulated contributions, less interest, must be paid to the member's beneficiary or survivors.

Under the bill any amounts paid by a member to purchase service credit are to be included in the member's accumulated contributions.

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*from the member's retirement date, the member's lesser pension continued for the remainder of that period to the member's beneficiaries.*



**Disability pension determination**

(sec. 5505.18)

For a determination of disability to be made, current law requires that a medical examination be conducted by a physician appointed by the SHRPS Board. A disability pension recipient must agree to obtain any medical treatment recommended by the Board's physician. Under the bill, the examination may be either a medical or psychological examination conducted by a health care professional appointed by the Board. The recipient must agree to obtain any medical or psychological treatment recommended by the Board's health care professional.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	09-18-01	p. 836
Reported, H. Retirement & Aging	05-15-02	pp. 1773-1774

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