

FIRST REGULAR SESSION

HOUSE BILL NO. 557

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KING AND DAVIS (122) (Co-sponsors).

Read 1st time February 26, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1330L.011

AN ACT

To repeal sections 104.601 and 104.1021, RSMo, and to enact in lieu thereof two new sections relating to state employee retirement.

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

Section A. Sections 104.601 and 104.1021, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 104.601 and 104.1021, to read as follows:

104.601. Any member retiring pursuant to the provisions of this chapter or any member
2 retiring pursuant to provisions of chapter 169, RSMo, who is a member of the public school
3 retirement system and who is employed by a state agency other than an institution of higher
4 learning, after working continuously until reaching retirement age, shall be credited with all his
5 or her unused sick leave as reported through the financial and human resources system
6 maintained by the office of administration, or if a state agency's employees are not paid salaries
7 or wages through such system, as reported directly by the state agency. When calculating years
8 of service, each member shall be entitled to one-twelfth of a year of creditable service for each
9 one hundred sixty-eight hours of unused accumulated sick leave earned by the member. The
10 employing agency shall not certify unused sick leave unless such unused sick leave could have
11 been used by the member for sickness or injury. The rate of accrual of sick leave for purposes
12 of computing years of service pursuant to this section shall be no greater than ten hours per
13 month. [Nothing under this section shall allow a member to vest in the retirement system by
14 using such credited sick leave to reach the time of vesting] **For members retiring under the**
15 **provisions of sections 104.020 to 104.272, sick leave accruals may be used in meeting service**
16 **requirements for normal retirement eligibility.**

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

104.1021. 1. The appropriate board shall determine how much credited service shall be given each member consistent with this section.

2. If a member terminates employment and is eligible to receive an annuity pursuant to the year 2000 plan, or becomes a vested former member at the time of termination, the member's or former member's unused sick leave as reported through the financial and human resources system maintained by the office of administration, or if a department's employees are not paid salaries or wages through such system, as reported directly by the department, for which the member has not been paid will be converted to credited service at the time of application for retirement benefits. The member shall receive one-twelfth of a year of credited service for each one hundred and sixty-eight hours of such unused sick leave. The employing department shall not certify unused sick leave unless such unused sick leave could have been used by the member for sickness or injury. The rate of accrual of sick leave for purposes of computing years of service pursuant to this section shall be no greater than ten hours per month. **Except for members employed in a position covered by the transportation department and highway patrol retirement system, such credited service shall not be used in determining the member's eligibility for retirement.** Such credited service shall not be used in determining the member's [eligibility for retirement or] final average pay. Such credited service shall be added to the credited service in the last position of employment held as a member of the system.

3. If a member is employed in a covered position and simultaneously employed in one or more other covered or noncovered positions, credited service shall be determined as if all such employment were in one position, and covered pay shall be the total of pay for all such positions.

4. In calculating any annuity, "credited service" means a period expressed as whole years and any fraction of a year measured in twelfths that begins on the date an employee commences employment in a covered position and ends on the date such employee's membership terminates pursuant to section 104.1018 plus any additional period for which the employee is credited with service pursuant to this section.

5. A member shall be credited for all military service after membership commences as required by state and federal law.

6. Any member who had active military service in the United States Army, Air Force, Navy, Marine Corps, Army or Air National Guard, Coast Guard, or any reserve component thereof prior to becoming a member, or who is otherwise ineligible to receive credited service pursuant to subsection 1 or 5 of this section, and who became a member after the person's discharge from military service under honorable conditions may elect, prior to retirement, to purchase credited service for all such military service, but not to exceed four years, provided the person is not receiving and is not eligible to receive retirement credits or benefits from any other public or private retirement plan, other than a United States military service retirement system,

37 for the military service to be purchased, and an affidavit so stating is filed by the member with
38 the year 2000 plan along with the submission of appropriate documentation verifying the
39 member's dates of active service. The purchase shall be effected by the member paying to the
40 system an amount equal to the state's contributions that would have been made to the system on
41 the member's behalf had the member been a member for the period for which the member is
42 electing to purchase credit and had the member's pay during such period of membership been the
43 same as the annual pay rate as of the date the member was initially employed as a member, with
44 the calculations based on the contribution rate in effect on the date of such member's
45 employment with simple interest calculated from the date of employment to the date of election
46 pursuant to this subsection. The payment shall be made over a period of not longer than two
47 years, measured from the date of election, and with simple interest on the unpaid balance. If a
48 member who purchased credited service pursuant to this subsection dies prior to retirement, the
49 surviving spouse may, upon written request, receive a refund of the amount contributed for such
50 purchase of such credited service, provided the surviving spouse is not entitled to survivorship
51 benefits payable pursuant to the provisions of section 104.1030.

52 7. Any member of the Missouri state employees' retirement system shall receive credited
53 service for the creditable prior service that such employee would have been entitled to under the
54 closed plan pursuant to section 104.339, subsections 2, and 6 to 9 of section 104.340, subsection
55 12 of section 104.342, section 104.344, subsection 4 of section 104.345, subsection 4 of section
56 104.372, section 178.640, RSMo, and section 211.393, RSMo, provided such service has not
57 been credited under the closed plan.

58 8. Any member who has service in both systems and dies or terminates employment shall
59 have the member's service in the other system transferred to the last system that covered such
60 member and any annuity payable to such member shall be paid by that system. Any such
61 member may elect to transfer service between systems prior to termination of employment,
62 provided, any annuity payable to such member shall be paid by the last system that covered such
63 member prior to the receipt of such annuity.

64 9. In no event shall any person or member receive credited service pursuant to the year
65 2000 plan if that same service is credited for retirement benefits under any defined benefit
66 retirement system not created pursuant to this chapter.

67 10. Any additional credited service as described in subsections 5 to 7 of this section shall
68 be added to the credited service in the first position of employment held as a member of the
69 system. Any additional creditable service received pursuant to section 105.691, RSMo, shall be
70 added to the credited service in the position of employment held at the time the member
71 completes the purchase or transfer pursuant to such section.

72 11. A member may not purchase any credited service described in this section unless the

73 member has met the five-year minimum service requirement as provided in subdivisions (11) and
74 (20) of section 104.1003, the two full biennial assemblies minimum service requirement as
75 provided in section 104.1084, or the four-year minimum service requirement as provided in
76 section 104.1084.

77 12. Absences taken by an employee without compensation for sickness and injury of the
78 employee of less than twelve months or for leave taken by such employee without compensation
79 pursuant to the provisions of the Family and Medical Leave Act of 1993 shall be counted as
80 years of credited service.