

SECOND REGULAR SESSION

HOUSE BILL NO. 1373

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HAYWOOD.

Read 1st time February 4, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4383L.011

AN ACT

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

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Section A. Sections 104.601 and 104.1021, RSMo, are repealed and two new sections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:

2 104.601. 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 **and unused annual leave** as reported through the financial and human
6 resources system maintained by the office of administration, or if a state agency's employees are
7 not paid salaries or wages through such system, as reported directly by the state agency. When
8 calculating years of service, each member shall be entitled to one-twelfth of a year of creditable
9 service for each one hundred sixty-eight hours of unused accumulated sick leave **and annual**
10 **leave** earned by the member. The employing agency shall not certify unused sick leave **and**
11 **annual leave** unless such unused [sick] leave could have been used by the member [for sickness
12 or injury]. The rate of accrual of sick leave **and annual leave** for purposes of computing years
13 of service pursuant to this section shall be no greater than ten hours per month. [Nothing under
14 this section shall allow a member to vest in the retirement system by using such credited sick
15 leave to reach the time of vesting.]

104.1021. 1. The appropriate board shall determine how much credited service shall be

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.

2 given each member consistent with this section.

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

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

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

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

28 6. Any member who had active military service in the United States Army, Air Force,
29 Navy, Marine Corps, Army or Air National Guard, Coast Guard, or any reserve component
30 thereof prior to last becoming a member, or who is otherwise ineligible to receive credited
31 service pursuant to subsection 1 or 5 of this section, and who became a member after the person's
32 discharge from military service under honorable conditions may elect, prior to retirement, to
33 purchase credited service for all such military service, but not to exceed four years, provided the
34 person is not receiving and is not eligible to receive retirement credits or benefits from any other
35 public or private retirement plan, other than a United States military service retirement system,
36 for the military service to be purchased along with the submission of appropriate documentation
37 verifying the member's dates of active service. The purchase shall be effected by the member

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

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

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

62 9. In no event shall any person or member receive credited service pursuant to the year
63 2000 plan if that same service is credited for retirement benefits under any defined benefit
64 retirement system not created pursuant to this chapter.

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

70 11. A member may not purchase any credited service described in this section unless the
71 member has met the five-year minimum service requirement as provided in subdivisions (11) and
72 (20) of section 104.1003, the two full biennial assemblies minimum service requirement as
73 provided in section 104.1084, or the four-year minimum service requirement as provided in

74 section 104.1084.

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