

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 334

93RD GENERAL ASSEMBLY

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Reported from the Committee on Retirement March 10, 2005 with recommendation that House Committee Substitute for House Bill No. 334 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules March 15, 2005 with recommendation that House Committee Substitute for House Bill No. 334 Do Pass by Consent with no time limit for debate.

Perfectured by Consent March 30, 2005.

STEPHEN S. DAVIS, Chief Clerk

1026L.02P

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## AN ACT

To repeal sections 104.010, 104.335, 104.342, 104.344, 104.352, 104.354, 104.378, 104.395, 104.410, 104.450, 104.490, 104.601, 104.620, 104.800, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1030, 104.1042, 104.1072, 104.1205, 104.1215, and 476.682, RSMo, and to enact in lieu thereof twenty-nine new sections relating to state employee retirement.

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

Section A. Sections 104.010, 104.335, 104.342, 104.344, 104.352, 104.354, 104.378, 2 104.395, 104.410, 104.450, 104.490, 104.601, 104.620, 104.800, 104.1003, 104.1012, 104.1015, 3 104.1021, 104.1024, 104.1027, 104.1030, 104.1042, 104.1072, 104.1205, 104.1215, and 4 476.682, RSMo, are repealed and twenty-nine new sections enacted in lieu thereof, to be known 5 as sections 104.010, 104.335, 104.342, 104.344, 104.352, 104.354, 104.378, 104.395, 104.410, 6 104.450, 104.490, 104.601, 104.603, 104.606, 104.607, 104.620, 104.800, 104.1003, 104.1012, 7 104.1015, 104.1021, 104.1024, 104.1027, 104.1030, 104.1042, 104.1072, 104.1205, 104.1215, 8 and 476.682, to read as follows:

104.010. 1. The following words and phrases as used in sections 104.010 to 104.800, 2 unless a different meaning is plainly required by the context, shall mean:

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

- 3 (1) "Accumulated contributions", the sum of all deductions for retirement benefit  
4 purposes from a member's compensation which shall be credited to the member's individual  
5 account and interest allowed thereon;
- 6 (2) "Active armed warfare", any declared war, or the Korean or Vietnamese Conflict;
- 7 (3) "Actuarial equivalent", a benefit which, when computed upon the basis of actuarial  
8 tables and interest, is equal in value to a certain amount or other benefit;
- 9 (4) "Actuarial tables", the actuarial tables approved and in use by a board at any given  
10 time;
- 11 (5) "Actuary", the actuary who is a member of the American Academy of Actuaries or  
12 who is an enrolled actuary under the Employee Retirement Income Security Act of 1974 and who  
13 is employed by a board at any given time;
- 14 (6) "Annuity", annual payments, made in equal monthly installments, to a retired  
15 member from funds provided for in, or authorized by, this chapter;
- 16 (7) "Average compensation", the average compensation of a member for the thirty-six  
17 consecutive months of service prior to retirement when the member's compensation was greatest;  
18 or if the member is on workers' compensation leave of absence or a medical leave of absence due  
19 to an employee illness, the amount of compensation the member would have received may be  
20 used, as reported and verified by the employing department; or if the member had less than  
21 thirty-six months of service, the average annual compensation paid to the member during the  
22 period up to thirty-six months for which the member received creditable service when the  
23 member's compensation was the greatest; or if the member is on military leave, the amount of  
24 compensation the member would have received may be used as reported and verified by the  
25 employing department or, if such amount is not determinable, the amount of the employee's  
26 average rate of compensation during the twelve-month period immediately preceding such period  
27 of leave, or if shorter, the period of employment immediately preceding such period of leave.  
28 **The board of each system may promulgate rules for purposes of calculating average**  
29 **compensation and other retirement provisions to accommodate for any state payroll system**  
30 **in which compensation is received on a monthly, semimonthly, biweekly, or other basis;**
- 31 (8) "Beneficiary", any person entitled to or nominated by a member or retiree who may  
32 be legally entitled to receive benefits pursuant to this chapter;
- 33 (9) "Biennial assembly", the completion of no less than two years of creditable service  
34 or creditable prior service by a member of the general assembly;
- 35 (10) "Board of trustees", "board", or "trustees", a board of trustees as established for the  
36 applicable system pursuant to this chapter;
- 37 (11) "Chapter", sections 104.010 to 104.800;
- 38 (12) "Compensation":

39 (a) All salary and wages payable out of any state, federal, trust, or other funds to an  
40 employee for personal services performed for a department; but including only amounts for  
41 which contributions have been made in accordance with section 104.436, or section 104.070,  
42 whichever is applicable, and excluding any nonrecurring single sum payments or amounts paid  
43 after the member's termination of employment unless such amounts paid after such termination  
44 are a final installment of salary or wages at the same rate as in effect immediately prior to  
45 termination of employment in accordance with a state payroll system adopted on or after January  
46 1, 2000, or any other one-time payments made as a result of such payroll system;

47 (b) All salary and wages which would have been payable out of any state, federal, trust  
48 or other funds to an employee on workers' compensation leave of absence during the period the  
49 employee is receiving a weekly workers' compensation benefit, as reported and verified by the  
50 employing department;

51 (c) Effective December 31, 1995, compensation in excess of the limitations set forth in  
52 Internal Revenue Code Section 401(a)(17) shall be disregarded. The limitation on compensation  
53 for eligible employees shall not be less than the amount which was allowed to be taken into  
54 account under the system as in effect on July 1, 1993. For this purpose, an "eligible employee"  
55 is an individual who was a member of the system before the first plan year beginning after  
56 December 31, 1995;

57 (13) "Consumer price index", the Consumer Price Index for All Urban Consumers for  
58 the United States, or its successor index, as approved by a board, as such index is defined and  
59 officially reported by the United States Department of Labor, or its successor agency;

60 (14) "Creditable prior service", the service of an employee which was either rendered  
61 prior to the establishment of a system, or prior to the date the employee last became a member  
62 of a system, and which is recognized in determining the member's eligibility and for the amount  
63 of the member's benefits under a system;

64 (15) "Creditable service", the sum of membership service and creditable prior service,  
65 to the extent such service is standing to a member's credit as provided in this chapter; except that  
66 in no case shall more than one day of creditable service or creditable prior service be credited any  
67 member for any one calendar day of eligible service credit as provided by law;

68 (16) "Deferred normal annuity", the annuity payable to any former employee who  
69 terminated employment as an employee or otherwise withdrew from service with a vested right  
70 to a normal annuity, payable at a future date;

71 (17) "Department", any department or agency of the executive, legislative or judicial  
72 branch of the state of Missouri receiving state appropriations, including allocated funds from the  
73 federal government but not including any body corporate or politic unless its employees are

74 eligible for retirement coverage from a system pursuant to this chapter as otherwise provided by  
75 law;

76 (18) "Disability benefits", benefits paid to any employee while totally disabled as  
77 provided in this chapter;

78 (19) "Early retirement age", a member's attainment of fifty-five years of age and the  
79 completion of ten or more years of creditable service, except for uniformed members of the water  
80 patrol;

81 (20) "Employee":

82 (a) Any elective or appointive officer or person employed by the state who is employed,  
83 promoted or transferred by a department into a new or existing position and earns a salary or  
84 wage in a position normally requiring the performance by the person of duties during not less  
85 than one thousand **forty** hours per year, including each member of the general assembly but not  
86 including any patient or inmate of any state, charitable, penal or correctional institution.  
87 Beginning September 1, 2001, the term "year" as used in this subdivision shall mean the  
88 twelve-month period beginning on the first day of employment. However, persons who are  
89 members of the public school retirement system and who are employed by a state agency other  
90 than an institution of higher learning shall be deemed employees for purposes of participating  
91 in all insurance programs administered by a board established pursuant to section 104.450. This  
92 definition shall not exclude any employee as defined in this subdivision who is covered only  
93 under the federal Old Age and Survivors' Insurance Act, as amended. As used in this chapter,  
94 the term "employee" shall include:

95 a. Persons who are currently receiving annuities or other retirement benefits from some  
96 other retirement or benefit fund, so long as they are not simultaneously accumulating creditable  
97 service in another retirement or benefit system which will be used to determine eligibility for or  
98 the amount of a future retirement benefit;

99 b. Persons who have elected to become or who have been made members of a system  
100 pursuant to section 104.342;

101 (b) Any person who **is not a retiree and** has performed services in the employ of the  
102 general assembly or either house thereof, or any employee of any member of the general  
103 assembly while acting in the person's official capacity as a member, and whose position does not  
104 normally require the person to perform duties during at least one thousand **forty** hours per year,  
105 with a month of service being any monthly pay period in which the employee was paid for  
106 full-time employment for that monthly period;

107 (c) "Employee" does not include special consultants employed pursuant to section  
108 104.610;

109 (d) As used in this chapter, the hours governing the definition of employee shall be  
110 applied only from August 13, 1988, forward;

111 (e) The system shall consider a person who is employed in multiple positions  
112 simultaneously within a single agency to be working in a single position for purposes of  
113 determining whether the person is an employee as defined in this subdivision;

114 (21) "Employer", a department of the state;

115 (22) "Executive director", the executive director employed by a board established  
116 pursuant to the provisions of this chapter;

117 (23) "Fiscal year", the period beginning July first in any year and ending June thirtieth  
118 the following year;

119 (24) "Full biennial assembly", the period of time beginning on the first day the general  
120 assembly convenes for a first regular session until the last day of the following year;

121 (25) "Fund", the benefit fund of a system established pursuant to this chapter;

122 (26) "Interest", interest at such rate as shall be determined and prescribed from time to  
123 time by a board;

124 (27) "Member", as used in sections 104.010 to 104.272 or 104.601 to 104.800 shall mean  
125 [a member of the highways and transportation employees' and highway patrol retirement system  
126 without regard to whether or not the member has been retired] **an employee, retiree, or former**  
127 **employee entitled to a deferred annuity covered by the Missouri department of**  
128 **transportation and highway patrol employees' retirement system.** "Member", as used in this  
129 section and sections 104.312 to 104.800, shall mean [a member of] **an employee, retiree, or**  
130 **former employee entitled to a deferred annuity covered by** the Missouri state employees'  
131 retirement system [without regard to whether or not the member has been retired];

132 (28) "Membership service", the service after becoming a member that is recognized in  
133 determining a member's eligibility for and the amount of a member's benefits under a system;

134 (29) "Military service", all active service performed in the United States Army, Air  
135 Force, Navy, Marine Corps, Coast Guard, and members of the United States Public Health  
136 Service or any women's auxiliary thereof; and service in the Army national guard and Air  
137 national guard when engaged in active duty for training, inactive duty training or full-time  
138 national guard duty, and service by any other category of persons designated by the President in  
139 time of war or emergency;

140 (30) "Normal annuity", the annuity provided to a member upon retirement at or after the  
141 member's normal retirement age;

142 (31) "Normal retirement age", an employee's attainment of sixty-five years of age and  
143 the completion of four years of creditable service or the attainment of age sixty-five years of age  
144 and the completion of five years of creditable service by a member who has terminated

145 employment and is entitled to a deferred normal annuity or the member's attainment of age sixty  
146 and the completion of fifteen years of creditable service, except that normal retirement age for  
147 uniformed members of the highway patrol shall be fifty-five years of age and the completion of  
148 four years of creditable service and uniformed employees of the water patrol shall be fifty-five  
149 years of age and the completion of four years of creditable service or the attainment of age  
150 fifty-five and the completion of five years of creditable service by a member of the water patrol  
151 who has terminated employment and is entitled to a deferred normal annuity and members of the  
152 general assembly shall be fifty-five years of age and the completion of three full biennial  
153 assemblies. Notwithstanding any other provision of law to the contrary, a member of the  
154 highways and transportation employees' and highway patrol retirement system or a member of  
155 the Missouri state employees' retirement system shall be entitled to retire with a normal annuity  
156 and shall be entitled to elect any of the survivor benefit options and shall also be entitled to any  
157 other provisions of this chapter that relate to retirement with a normal annuity if the sum of the  
158 member's age and creditable service equals eighty years or more and if the member is at least  
159 forty-eight years of age;

160 (32) "Payroll deduction", deductions made from an employee's compensation;

161 (33) "Prior service credit", the service of an employee rendered prior to the date the  
162 employee became a member which service is recognized in determining the member's eligibility  
163 for benefits from a system but not in determining the amount of the member's benefit;

164 (34) "Reduced annuity", an actuarial equivalent of a normal annuity;

165 (35) "Retiree", a member who is not an employee and who is receiving an annuity from  
166 a system pursuant to this chapter;

167 (36) "System" or "retirement system", the highways and transportation employees' and  
168 highway patrol retirement system, as created by sections 104.010 to 104.270, or sections 104.601  
169 to 104.800, or the Missouri state employees' retirement system as created by sections 104.320  
170 to 104.800;

171 (37) "Uniformed members of the highway patrol", the superintendent, lieutenant colonel,  
172 majors, captains, director of radio, lieutenants, sergeants, corporals, and patrolmen of the  
173 Missouri state highway patrol who normally appear in uniform;

174 (38) "Uniformed members of the water patrol", employees of the Missouri state water  
175 patrol of the department of public safety who are classified as water patrol officers who have  
176 taken the oath of office prescribed by the provisions of chapter 306, RSMo, and who have those  
177 peace officer powers given by the provisions of chapter 306, RSMo;

178 (39) "Vesting service", the sum of a member's prior service credit and creditable service  
179 which is recognized in determining the member's eligibility for benefits under the system.

180           2. Benefits paid pursuant to the provisions of this chapter shall not exceed the limitations  
181 of Internal Revenue Code Section 415, the provisions of which are hereby incorporated by  
182 reference.

104.335. 1. Any member whose employment terminated prior to September 1, 1972, and  
2 (a) who had served at least three full biennial assemblies as a member of the general assembly,  
3 or (b) who was other than a member of the general assembly and who had fifteen or more years  
4 of vesting service shall be entitled to a deferred normal annuity based on the member's creditable  
5 service, average compensation and the law in effect at the time the member's employment was  
6 terminated.

7           2. (1) Any member whose employment terminated on or after September 1, 1972, and  
8 prior to July 1, 1981, and (a) who had served at least three full biennial assemblies as a member  
9 of the general assembly, or (b) who was other than a member of the general assembly and who  
10 had fifteen or more years of vesting service or who had ten or more years of vesting service and  
11 was at least thirty-five years of age at the date of termination of employment shall be entitled to  
12 a deferred normal annuity based on the member's creditable service, average compensation and  
13 the law in effect at the time the member's employment was terminated.

14           (2) Any member whose employment terminated on or after July 1, 1981, and (a) who had  
15 served at least three full biennial assemblies as a member of the general assembly, or (b) who  
16 was other than a member of the general assembly and who had ten or more years of vesting  
17 service at the date of termination of employment shall be entitled to a deferred normal annuity  
18 based on the member's creditable service, average compensation and the law in effect at the time  
19 the member's employment was terminated.

20           (3) Any member whose employment terminated on or after September 1, 1972, and who  
21 had four or more years of vesting service as governor, lieutenant governor, secretary of state,  
22 auditor, treasurer, or attorney general of this state shall be entitled to a deferred normal annuity  
23 based on the member's creditable service, average compensation and the law in effect at the time  
24 the member's employment was terminated.

25           (4) Any member whose employment terminated on or after September 28, 1985, and  
26 who (a) had served less than three full biennial assemblies as a member of the general assembly,  
27 and (b) has less than ten years of vesting service as an employee other than a member of the  
28 general assembly shall be entitled to two years of vesting service for each full biennial assembly  
29 in which the member served plus an additional amount of vesting service for each partial biennial  
30 assembly served, which amount shall be equal to the pro rata portion of the biennial assembly  
31 so served. The total amount of vesting service provided for in this subdivision shall be used to  
32 calculate the deferred normal annuity or deferred partial annuity to which such member is  
33 entitled based on the member's creditable service, which includes all service designated as

34 vesting service under this subdivision, the member's average compensation, and the law in effect  
35 at the time the member's employment was terminated.

36 3. Any member whose employment terminated on or after October 1, 1984, but before  
37 September 28, 1992, and who was other than a member of the general assembly and who has five  
38 or more years of vesting service as an employee at the date of termination of employment shall  
39 be entitled to a deferred partial annuity based on the member's creditable service, average  
40 compensation, and the law in effect at the time the member's employment was terminated, in the  
41 following amounts:

42 (1) An employee with at least five years of vesting service, but less than six years, is  
43 entitled to fifty percent of the amount payable as a deferred normal annuity;

44 (2) An employee with six years of vesting service, but less than seven years, is entitled  
45 to sixty percent of the amount payable as a deferred normal annuity;

46 (3) An employee with seven years of vesting service, but less than eight years, is entitled  
47 to seventy percent of the amount payable as a deferred normal annuity;

48 (4) An employee with eight years of vesting service, but less than nine years, is entitled  
49 to eighty percent of the amount payable as a deferred normal annuity;

50 (5) An employee with nine years of vesting service, but less than ten years, is entitled  
51 to ninety percent of the amount payable as a deferred normal annuity.

52 4. Any member whose employment terminated on or after September 28, 1992, and who  
53 was other than a member of the general assembly and who has five or more years of vesting  
54 service as an employee at the date of termination of employment shall be entitled to a deferred  
55 normal annuity based on the member's creditable service, average compensation, and the law in  
56 effect at the time the member's employment was terminated.

57 5. Any member who is entitled to a deferred normal annuity as provided in subsection  
58 1, 2, 3, or 4 of this section and who reenters the service of a department and again becomes a  
59 member of the system shall have the member's prior period of vesting service combined with the  
60 member's current membership service, so that any benefits that may become payable under this  
61 system by reason of the member's retirement or subsequent withdrawal will recognize such prior  
62 period of vesting service.

63 6. [(1) A vested member, an administrative law judge or legal advisor as defined in  
64 section 287.812, RSMo, or a judge as defined in section 476.515, RSMo, who has terminated  
65 all employment with the state of Missouri for a period of six months or longer, may make a  
66 one-time election for the system to pay the present value of a deferred annuity or a benefit as  
67 defined in section 287.812, RSMo, or section 476.515, RSMo, if the amount of such terminated  
68 member's or person's creditable service is less than ten years, and if such terminated member or  
69 person is not within five years of eligibility for receiving an annuity or benefit. Any such



70 member, administrative law judge, legal advisor or judge who terminates employment on or after  
71 August 28, 1997, shall be eligible for the one-time election provided for in this subsection only  
72 if the present value of the deferred annuity does not exceed ten thousand dollars. The present  
73 value shall be actuarially determined by the system. Except as provided in subdivision (2) of this  
74 subsection, any payment so made shall be a complete discharge of the existing liability of the  
75 system with respect to such terminated member or person.

76 (2) Upon subsequent employment in a position covered under a system administered by  
77 the Missouri state employees' retirement system, the employee, administrative law judge or judge  
78 may elect, within one year of such employment, to purchase creditable service equal to the  
79 amount of creditable service surrendered due to a payment as specified in this subsection. The  
80 cost of such purchase shall be actuarially determined by the system, and shall be paid over a  
81 period of not longer than two years from the date of election, with interest on the unpaid balance.

82 (3) Persons described in subdivision (1) of this subsection who terminate employment  
83 on or after September 1, 2002, shall no longer be eligible to make the election described in  
84 subdivision (1) of this subsection.

85 7.] Any individual, covered by a retirement plan identified in this chapter, chapter 287  
86 or chapter 476, RSMo, who terminated employment prior to August 28, 1993, shall, upon  
87 application to the board of trustees of the Missouri state employees' retirement system, be made,  
88 constituted and appointed and employed by the board as a special consultant on the problems of  
89 retirement, aging and other state matters for the remainder of the person's life. Upon request of  
90 the board or the court from which the person retired, the consultant shall give opinions or be  
91 available to give opinions in writing or orally in response to such requests. As compensation for  
92 such services, the consultant shall be eligible to purchase or transfer, prior to retirement,  
93 creditable service as set forth in section 105.691, RSMo.

104.342. 1. Any person hired by the state on or after August 13, 1986, in any of the  
2 positions described in this subsection shall be a member of the system from the date on which  
3 such employment begins. This subsection shall apply to any person duly certified under the law  
4 governing the certification of teachers who is employed full time:

5 (1) As a teacher by the division of youth services;

6 (2) As a teacher by a division of the state department of social services and who renders  
7 services in a school whose standards of education are set and which is supervised by a public  
8 school officer of the county in which the school is located, by the department of elementary and  
9 secondary education or by the coordinating board for higher education;

10 (3) As a teacher by the section of inmate education of the department of corrections;

11 (4) In either a teaching or supervisory teaching capacity by the department of mental  
12 health, in which his or her duties include participation in the educational program of the  
13 department of mental health.

14 2. Any person employed in any of the positions described in subsection 1 of this section  
15 immediately prior to and on August 13, 1986, may elect, in writing, to:

16 (1) Become a member of the Missouri state employees' retirement system effective  
17 January 1, 1987. Any person who, by virtue of an election made under this subdivision, becomes  
18 a member of the Missouri state employees' retirement system shall be entitled to creditable prior  
19 service credit for service rendered in any of the positions described in subsection 1 of this  
20 section. Members who so elect shall be eligible, upon written request filed with the public  
21 school retirement system, to receive a refund of their accumulated contributions including  
22 interest of six percent and upon payment of such refund, the public school retirement systems  
23 shall pay to the state employees' retirement system before June 30, 1987, an amount equal to the  
24 amount paid the public school retirement system on behalf of each member so electing by the  
25 member's employer; or

26 (2) Remain a member of the public school retirement system of Missouri created under  
27 sections 169.010 to 169.140, RSMo. Any person entitled to make the election provided by this  
28 subsection who does not make such election, in writing, by January 1, 1987, shall be deemed to  
29 have elected to be governed by subdivision (1) of this subsection.

30 3. Any person who is employed on a full-time basis by Truman State University,  
31 Northwest Missouri State University, Central Missouri State University, Southeast Missouri  
32 State University, Southwest Missouri State University, Harris-Stowe State College or Missouri  
33 Southern State College and Missouri Western State College shall be a member of the system;  
34 except that any person who is duly certified under the laws governing the certification of teachers  
35 and who is a full-time employee of such institution or institutions on June 14, 1989, and is  
36 contributing because of such employment to a retirement system established under sections  
37 169.010 to 169.140, RSMo, or sections 169.410 to 169.540, RSMo, may make an election to  
38 continue in that retirement system if such election is made on or before December 31, 1989.  
39 This election shall not apply to any such person who commenced receiving retirement benefits  
40 prior to January 1, 1990, from any state retirement system because of such service.

41 4. Effective January 1, 1990, only after an affirmative referendum in accordance with  
42 section 105.353, RSMo, any person who is employed on a full-time basis by the department of  
43 elementary and secondary education shall be a member of the system; except that any person  
44 duly certified under the law governing the certification of teachers who is a full-time employee  
45 at any time during the period extending from June 14, 1989, through December 31, 1989, and  
46 is contributing because of such employment to the retirement system established under sections

47 169.010 to 169.140, RSMo, may elect to continue in that retirement system if such election is  
48 made on or before December 31, 1989. This election shall not apply to any such person who  
49 commenced receiving retirement benefits prior to January 1, 1990, from any state retirement  
50 system because of such service.

51 5. On June 14, 1989, all newly employed persons in the positions described in subsection  
52 3 of this section shall become members of the Missouri state employees' retirement system.  
53 Effective January 1, 1990, and only after an affirmative referendum provided for in subsection  
54 4 of this section, all newly employed persons in the positions described in subsection 4 of this  
55 section shall become members of the Missouri state employees' retirement system.

56 6. Any employee actively employed on June 14, 1989, who, because of employment in  
57 a position described in subsection 1, 3 or 4 of this section, has creditable service in this system  
58 for such employment which at the time the service was rendered was not covered by the federal  
59 Social Security Act, shall remain in this system and be entitled to the benefits provided under  
60 subdivision (1) of subsection 7 of this section; except that any such employee who has creditable  
61 service in this system because of employment in a position described in subsection 4 of this  
62 section which is not covered by the federal Social Security Act on January 1, 1990, shall not be  
63 entitled to the benefits provided under subdivision (1) of subsection 7 of this section for such  
64 creditable service.

65 7. Any person entitled to make the election provided by subsection 3 or 4 of this section,  
66 who does not make such election, in writing, on or before December 31, 1989, shall be deemed  
67 to have elected to be governed by subdivision (1) of this subsection:

68 (1) Those persons described in subsections 3 and 4 of this section who elect or have  
69 elected by written request filed with the board to be members of this system, shall be entitled to  
70 creditable prior service for service rendered in any of the positions described in subsections 1,  
71 3 and 4 of this section. Any person who so elects shall be eligible, upon written request filed  
72 with the board on or before March 31, 1990, with the retirement system established under  
73 sections 169.010 to 169.140, RSMo, or sections 169.410 to 169.540, RSMo, to receive a refund  
74 of the member's accumulated contributions for the creditable service in any of the positions  
75 described in subsections 1, 3 and 4 of this section, plus interest at an annual rate of six percent  
76 computed on the refundable balance, if any, in the member's account in that retirement system  
77 as of June 30, 1989. Such refunds shall be made prior to June 1, 1990. If any creditable prior  
78 service transferred under subsection 1, 3 or 4 of this section, or subsection 3 of section 104.372,  
79 includes periods of service not covered by the federal Social Security Act, as provided in sections  
80 105.300 to 105.445, RSMo, then, in calculating the benefit amount payable to such member, the  
81 normal annuity shall be an amount equal to two and one-tenth percent of the average  
82 compensation of the member multiplied by the number of years of such creditable service for the

83 positions described in subsections 1, 3 and 4 of this section not covered by the federal Social  
84 Security Act in addition to an amount payable under section 104.374 for all service covered by  
85 the federal Social Security Act. The normal annuity as described in this subdivision shall be  
86 adjusted for early retirement, if applicable;

87 (2) Any person described in subsections 3 and 4 of this section, who elects to remain in  
88 one of the retirement systems established under sections 169.010 to 169.140, RSMo, or sections  
89 169.410 to 169.540, RSMo, shall, notwithstanding any provision of chapter 169, RSMo, to the  
90 contrary, be a noncontributing member of such system and shall receive a refund of the member's  
91 accumulated contributions for the creditable service in any of the positions described in  
92 subsection 1, 3 or 4 of this section, plus interest at an annual rate of six percent computed on the  
93 refundable balance, if any, in the member's account in that retirement system as of June 30, 1989.  
94 Such refunds shall be made prior to June 1, 1990. At the time of retirement under the provisions  
95 of sections 169.010 to 169.140, RSMo, or sections 169.410 to 169.540, RSMo, such person shall  
96 receive a retirement benefit computed under the then existing law of that retirement system;  
97 except that, for any person employed in a position described in subsection 4 of this section, the  
98 benefit shall be the amount computed as though the position were not covered by the federal  
99 Social Security Act, reduced by the amount of any federal Social Security benefit the person may  
100 receive which is attributable to service rendered in the positions described in subsection 4 of this  
101 section after December 31, 1989.

102 8. Upon payment of the refunds provided in subdivision (1) of subsection 7 of this  
103 section, each refunding retirement system shall pay to the state employees' retirement system,  
104 by December 31, 1990, an amount actuarially determined to equal the liability transferred from  
105 such retirement systems. At least ninety days before each regular session of the general assembly  
106 the board of trustees of the affected public school retirement system shall certify to the division  
107 of budget an actuarially determined estimate of the amount which will be necessary during the  
108 next appropriation period to pay all liabilities, including costs of administration, which shall exist  
109 or accrue under subsections 1 through 7 of this section during such period. The estimate shall  
110 be computed as a level percentage of payroll [compensation] **contribution** to cover the normal  
111 cost and to amortize the accrued liability over a period not to exceed forty years. The  
112 commissioner of administration shall request appropriation of the amount calculated under the  
113 provisions of this subsection. The commissioner of administration monthly shall requisition and  
114 certify the payment to the executive secretary of the appropriate school retirement system.

115 9. Notwithstanding any provisions of chapter 169, RSMo, to the contrary, any member  
116 who becomes a member under the provisions of subsection 2, 5, or 7 of this section and who has  
117 creditable service with a public school retirement system under that chapter because of  
118 employment with any employer other than those defined in subsection 1, 3, or 4 of this section

119 shall immediately vest in that public school retirement system and upon attainment of the  
120 minimum retirement age of that system shall be entitled to a monthly benefit based on such  
121 creditable service and the law in effect at that time, provided the person does not elect to  
122 withdraw the member's accumulated contributions for such creditable service from that public  
123 school retirement system.

124 10. Effective July 1, 1988, the Lincoln University board of curators shall terminate the  
125 Lincoln University retirement, disability and death benefit plan and shall purchase through  
126 competitive bids annuities adequate to cover the liability for all benefits presently being paid  
127 from such plan to former employees or their surviving beneficiaries upon the death of the  
128 employee as provided by such plan at the time of the commencement of benefits to such former  
129 employees or beneficiaries. Lincoln University shall pay to the Missouri state employees'  
130 retirement system on or before July 1, 1988, an amount equal to all funds and securities thereon  
131 contained in the Lincoln University retirement, disability and death benefit plan less the amount  
132 needed to purchase annuities for retiree and survivor benefits.

133 11. Effective July 1, 1988, the Lincoln University board of curators shall certify to the  
134 board of trustees of the Missouri state employees' retirement system all persons eligible to  
135 receive but not yet receiving benefits under the Lincoln University retirement, disability and  
136 death benefit plan, for service prior to June 30, 1988, together with the amounts payable and  
137 supporting documentation as to the methods, plan provisions and data used to calculate such  
138 benefits, to the satisfaction of the board of trustees of the Missouri state employees' retirement  
139 system, and the Missouri state employees' retirement system shall assume responsibility for  
140 payment of such benefits in the future.

141 12. Any person employed on a full-time basis by Lincoln University on or after July 1,  
142 1988, shall become a member of the Missouri state employees' retirement system, and may elect  
143 in writing to receive creditable prior service for all full-time service to Lincoln University if such  
144 service is not now credited the member under the Missouri state employees' retirement system,  
145 and provided the member elects in writing to forfeit all rights accrued under the Lincoln  
146 University retirement, disability and death benefit plan for such service.

147 13. (1) Any person who is employed by Harris-Stowe State College as a teacher or  
148 administrator on August 28, 1995, who was employed full time by Harris-Stowe College prior  
149 to September 1, 1978, who became a member of the Missouri state employees' retirement system  
150 on or after September 1, 1978, and who has been continuously employed by the college, may  
151 purchase creditable prior service for any service rendered to Harris-Stowe College prior to  
152 September 1, 1978, which is not otherwise credited under the Missouri state employees'  
153 retirement system, not to exceed twelve years;

154 (2) Any person eligible to purchase creditable prior service under the provisions of  
155 subdivision (1) of this subsection may make written application to the board of trustees of the  
156 Missouri state employees' retirement system prior to retirement, but not later than April 1, 1996.  
157 The purchase shall be effected by the member and the public school retirement system of which  
158 the member was previously a member paying to the Missouri state employees' retirement system  
159 the following amounts:

160 (a) The amount contributed by the employee to the St. Louis public school retirement  
161 system during the years of prior service with Harris-Stowe College for which the employee seeks  
162 to purchase creditable prior service in the Missouri state employees' retirement system, including  
163 interest which may have been credited to the member's individual account with the system, or  
164 which would have been credited to the account had it remained with the St. Louis public school  
165 retirement system; and

166 (b) An amount which shall not be less than zero and which shall equal the actuarial  
167 accrued liability of the St. Louis public school retirement system for the prior service, determined  
168 as of the transfer date as if the member were still in active service covered by the St. Louis public  
169 school retirement system, less the amount stipulated in paragraph (a) of this subdivision;

170 (c) If the member had received a refund of contributions related to service covered by  
171 the St. Louis public school retirement system, the amount stipulated in paragraph (a) of this  
172 subdivision shall be paid to the Missouri state employees' retirement system by the member,  
173 otherwise, such amount shall be paid to the Missouri state employees' retirement system by the  
174 St. Louis public school retirement system;

175 (3) Any amount payable to the Missouri state employees' retirement system by the  
176 member may be paid in a lump sum or in monthly installments. If paid in monthly installments,  
177 the period over which payments are being made may not extend beyond the earlier of the  
178 member's retirement date or April 1, 1997, and shall include interest at a rate established by the  
179 board of trustees of the Missouri state employees' retirement system;

180 (4) Any amounts payable to the Missouri state employees' retirement system by the St.  
181 Louis public schools retirement system shall be paid in a lump sum and shall not be paid later  
182 than the earlier of the member's retirement date or April 1, 1997, and shall include interest at a  
183 rate established by the board of trustees of the Missouri state employees' retirement system;

184 (5) Any person who elects to purchase creditable prior service under the provisions of  
185 this section shall file with the St. Louis public school retirement system an irrevocable waiver  
186 and release of any rights and benefits in that system for the creditable prior service being  
187 purchased. The member shall file with the Missouri state employees' retirement system a copy  
188 of the waiver and an affidavit stating that he or she is no longer eligible to receive benefits or  
189 credits in any other retirement system for the creditable prior service being purchased;

190 (6) All retirement plans defined under section 105.660, RSMo, shall develop a  
191 procurement action plan for utilization of minority and women money managers, brokers and  
192 investment counselors. Such retirement systems shall report their progress annually to the joint  
193 committee on public employee retirement and the governor's minority advocacy commission.

194 14. In no event shall any person receive service credit for the same period of service  
195 under more than one retirement system.

104.344. Notwithstanding any other law to the contrary, any person who is actively  
2 employed by the state of Missouri in a position covered by a retirement plan administered by the  
3 Missouri state employees' retirement system and who had nonfederal full-time public  
4 employment in the state of Missouri [or who had provided full-time services for compensation  
5 to the state of Missouri under a contract], and who by virtue of such employment was a member  
6 of a retirement system or other employer-sponsored retirement plan other than the Missouri state  
7 employees' retirement system but is not vested in such other retirement system or plan, or was  
8 not a member of any retirement system or plan, may elect, prior to retirement, to purchase all of  
9 the member's creditable prior service but not to exceed four years for such service in any plan  
10 administered by the Missouri state employees' retirement system in which the person is receiving  
11 service credit for active employment or is eligible for a deferred annuity. The purchase shall be  
12 effected by the person paying to the Missouri state employees' retirement system an amount  
13 equal to what would have been contributed by the state in his or her behalf had the person been  
14 a member for the period for which he or she is electing to purchase credit and had the person's  
15 compensation during such period been the same as the annual salary rate at which the person was  
16 initially employed in a position covered by a plan administered by the Missouri state employees'  
17 retirement system, with the calculations based on the contribution rate in effect on the date of his  
18 or her employment under the provisions of the Missouri state employees' retirement system with  
19 simple interest calculated from the date of employment from which the person could first receive  
20 creditable service from the Missouri state employees' retirement system to the date of election  
21 to purchase such service. The payment shall be made over a period of not longer than two years,  
22 with simple interest on the unpaid balance. In no event shall any person receive credit or benefits  
23 under any other retirement plan as defined pursuant to section 105.691, RSMo, for creditable  
24 service purchased pursuant to the provisions of this section. The contribution rate for any judge  
25 who elects to purchase service for a period prior to July 1, 1998, shall be equal to a contribution  
26 rate which would be used if the judicial system were funded on an actuarial basis prior to that  
27 date.

104.352. 1. Any employee or former employee described in paragraph (b) of subdivision  
2 [(18)] (20) of section 104.010 is entitled to credit for all prior service and membership service  
3 as if he had been a member of the system on the date of its inception. Any such employee shall

4 be considered a member of the system from the date of his or her employment and shall receive  
5 credit for each month of service for which he is employed with service being computed as if  
6 part-time employment with the general assembly were full-time employment for the period the  
7 member was so employed.

8         2. Each employee described in paragraph (b) of subdivision [(18)] **(20)** of section  
9 104.010 shall be entitled to the same insurance benefits provided under sections 103.003 to  
10 103.175, RSMo to employees described in paragraph (a) of subdivision [(18)] **(20)** of section  
11 104.010 to cover the medical expenses of such employees and their spouses and children. Such  
12 insurance benefits shall be made available to employees described in paragraph (b) of  
13 subdivision [(18)] **(20)** of section 104.010 upon their initial employment as such employees in  
14 the same manner provided for employees described in paragraph (a) of subdivision [(18)] **(20)**  
15 of section 104.010, and shall be continued during any period of time, not to exceed one year, in  
16 which such employees are not paid for full-time employment, so long as such employees pay the  
17 same amount for such insurance benefits as is required of employees described in paragraph (a)  
18 of subdivision [(18)] **(20)** of section 104.010 who continue receiving such insurance benefits  
19 during a leave of absence without pay from their employment with the state. Any employee  
20 described in paragraph (b) of subdivision [(18)] **(20)** of section 104.010 who is reemployed by  
21 the general assembly or either house thereof, or by any member of the general assembly while  
22 acting in his official capacity as a member, by the thirteenth legislative day of the session of the  
23 general assembly immediately following the session of the general assembly in which such  
24 employee was last so employed, without having elected to discontinue the insurance benefits  
25 described in this subsection, shall be entitled to continue such insurance benefits without having  
26 to prove insurability for himself or any of his covered dependents for whom he has paid for such  
27 coverage continuously since last employed as an employee described in paragraph (b) of  
28 subdivision [(18)] **(20)** of section 104.010. Any employee described in paragraph (b) of  
29 subdivision [(18)] **(20)** of section 104.010 who is not reemployed by the general assembly or  
30 either house thereof, or by any member of the general assembly while acting in his official  
31 capacity as a member, by the thirteenth legislative day of the session of the general assembly  
32 immediately following the session of the general assembly in which such employee was last so  
33 employed, shall be deemed terminated as an employee as of such thirteenth legislative day, and  
34 the insurance benefits provided for such employee under this subsection and sections 103.003  
35 to 103.175, RSMo, shall be terminated as provided for employees described in paragraph (a) of  
36 subdivision [(18)] **(20)** of section 104.010 whose employment is terminated. During each month  
37 of service in which an employee described in paragraph (b) of subdivision [(18)] **(20)** of section  
38 104.010 is employed, the state shall make any contribution required by sections 103.003 to  
39 103.175, RSMo, for such employee.



40           3. Any employee described in paragraph (b) of subdivision [(18)] **(20)** of section 104.010  
41 who is actively employed on or after September 28, 1992, shall be deemed vested for purposes  
42 of determining eligibility for benefits under sections 104.320 to 104.620 after being so employed  
43 for at least sixty months.

          104.354. In each fiscal year in which retirement benefits are to be paid to retired  
2 employees described in paragraph (b) of subdivision [(18)] **(20)** of section 104.010 because of  
3 the provisions of section 104.352, funding for such benefits shall be provided as set forth in  
4 section 104.436. All benefits paid because of the provisions of section 104.352 shall be paid by  
5 the retirement system along with all other retirement benefits due such retired employees under  
6 the retirement system.

          104.378. Upon the death of a member who has not requested creditable prior service  
2 [pursuant to] **under section 104.339, subsections 2, 6, 7, 8, and 9 of section 104.340,**  
3 **subsection 12 of section 104.342, subsection 4 of section 104.345,** subsection 4 of section  
4 104.372, **section 104.800, section 178.639, RSMo, or section 211.393, RSMo,** the survivor of  
5 such member who is or would be eligible to receive benefits pursuant to section 104.420 may  
6 apply to the board of trustees and shall be made, constituted, appointed and employed by the  
7 board as a special consultant on the problems of retirement, aging and other state matters for the  
8 remainder of the surviving spouse's life, and upon request of the board shall give opinions, and  
9 be available to give opinions in writing, or orally, in response to such requests. As compensation  
10 for such services, such survivor may elect to have the member receive such creditable prior  
11 service **or transfer such service.** Upon making such election, all of the [provisions of  
12 subsection 4 of section 104.372] **applicable law as provided in this section** shall apply. Any  
13 survivor benefits payable shall be calculated as if such creditable prior service **or transferred**  
14 **service** had been received by such member on the date of the death of the member.

          104.395. 1. In lieu of the normal annuity otherwise payable to a member pursuant to  
2 section 104.335, 104.370, 104.371, 104.374 or 104.400, and prior to the last business day of the  
3 month before the annuity starting date pursuant to section 104.401, a member shall elect whether  
4 or not to have such member's normal annuity reduced as provided by the options set forth in this  
5 section; provided that if such election has not been made within such time, annuity payments due  
6 beginning on and after such annuity starting date shall be made the month following the receipt  
7 by the system of such election, and further provided, that if such person dies after such annuity  
8 starting date but before making such election, no benefits shall be paid except as required  
9 pursuant to section 104.420:

10           Option 1. An actuarial reduction approved by the board of the member's annuity in  
11 reduced monthly payments for life during retirement with the provision that upon the member's  
12 death the reduced annuity at the date of the member's death shall be continued throughout the

13 life of, and be paid to, the member's spouse to whom the member was married at the date of  
14 retirement and who was nominated by the member to receive such payments in the member's  
15 application for retirement or as otherwise provided pursuant to subsection 5 of this section. Such  
16 annuity shall be reduced in the same manner as an annuity under option 2 as in effect  
17 immediately prior to August 28, 1997. The surviving spouse shall designate a beneficiary to  
18 receive any final monthly payment due after the death of the surviving spouse; or

19       Option 2. The member's normal annuity in regular monthly payments for life during the  
20 member's retirement with the provision that upon the member's death a survivor's benefit equal  
21 to one-half the member's annuity at the date of the member's death shall be paid to the member's  
22 spouse to whom the member was married at the date of retirement and who was nominated by  
23 the member to receive such payments in the member's application for retirement or as otherwise  
24 provided pursuant to subsection 5 of this section, in regular monthly payments for life. The  
25 surviving spouse shall designate a beneficiary to receive any final monthly payment due after the  
26 death of the surviving spouse; or

27       Option 3. An actuarial reduction approved by the board of the member's normal annuity  
28 in reduced monthly payments for the member's life with the provision that if the member dies  
29 prior to the member having received one hundred twenty monthly payments of the member's  
30 reduced annuity, the member's reduced annuity to which the member would have been entitled  
31 had the member lived shall be paid for the remainder of the one hundred twenty months' period  
32 to such person as the member shall have nominated by written designation duly executed and  
33 filed with the board. If there is no such beneficiary surviving the retirant, the reserve for such  
34 annuity for the remainder of such one hundred twenty months' period shall be paid to the  
35 retirant's estate. If such beneficiary dies after the member's date of death but before having  
36 received the remainder of the one hundred twenty monthly payments of the retiree's reduced  
37 annuity, the reserve for such annuity for the remainder of such one hundred twenty-month period  
38 shall be paid to the beneficiary's estate; or

39       Option 4. An actuarial reduction approved by the board of the member's normal annuity  
40 in reduced monthly payments for the member's life with the provision that if the member dies  
41 prior to the member having received sixty monthly payments of the member's reduced annuity,  
42 the member's reduced annuity to which the member would have been entitled had the member  
43 lived shall be paid for the remainder of the sixty months' period to such person as the member  
44 shall have nominated by written designation duly executed and filed with the board. If there be  
45 no such beneficiary surviving the retirant, the reserve for such annuity for the remainder of such  
46 sixty months' period shall be paid to the retirant's estate. If such beneficiary dies after the  
47 member's date of death but before having received the remainder of the sixty monthly payments

48 of the retiree's reduced annuity, the reserve for such annuity for the remainder of the sixty-month  
49 period shall be paid to the beneficiary's estate.

50         2. Effective July 1, 2000, if a member is married as of the annuity starting date to a  
51 person who has been the member's spouse, the member's annuity shall be paid pursuant to the  
52 provisions of either option 1 or option 2 as set forth in subsection 1 of this section, at the  
53 member's choice, with the spouse as the member's designated beneficiary unless the spouse  
54 consents in writing to the member electing another available form of payment.

55         3. For members who retire on or after August 28, 1995, in the event such member  
56 elected a joint and survivor option pursuant to the provisions of this section and the member's  
57 eligible spouse or eligible former spouse precedes the member in death, the member's annuity  
58 shall revert effective the first of the month following the death of the spouse or eligible former  
59 spouse [regardless of when the board receives the member's written application for the benefit  
60 provided in this subsection, to an amount equal to the member's normal annuity, as adjusted for  
61 early retirement if applicable] **to a normal annuity, as adjusted for early retirement if**  
62 **applicable, if the member cancels the member's original joint and survivor election;** such  
63 benefit shall include any increases the member would have received since the date of retirement  
64 had the member elected a normal annuity.

65         4. Effective on or after August 28, 1995, any retired member who had elected a joint and  
66 survivor option and whose spouse or eligible former spouse precedes or preceded the member  
67 in death shall upon application to the board be made, constituted, appointed and employed by  
68 the board as a special consultant on the problems of retirement, aging and other state matters.  
69 As a special consultant pursuant to the provisions of this section, the member's reduced annuity  
70 shall revert to a normal annuity as adjusted for early retirement, if applicable, effective the first  
71 of the month following the death of the spouse or eligible former spouse or August 28, 1995,  
72 whichever is later, [regardless of when the board receives the member's written application] **if**  
73 **the member cancels the member's original joint and survivor election;** such annuity shall  
74 include any increases the retired member would have received since the date of retirement had  
75 the member elected a normal annuity.

76         5. Effective July 1, 2000, a member may make an election under option 1 or 2 after the  
77 date retirement benefits are initiated if the member makes such election within one year from the  
78 date of marriage or July 1, 2000, whichever is later, under any of the following circumstances:

79         (1) The member elected to receive a normal annuity and was not eligible to elect option  
80 1 or 2 on the date retirement benefits were initiated; or

81         (2) The member's annuity reverted to a normal annuity pursuant to subsection 3 or 4 of  
82 this section and the member remarried.

83           6. Any person who terminates employment or retires prior to July 1, 2000, shall be made,  
84 constituted, appointed and employed by the board as a special consultant on the problems of  
85 retirement, aging and other state matters, and for such services shall be eligible to elect to receive  
86 the benefits described in subsection 5 of this section.

87           7. Effective September 1, 2001, the retirement application of any member who fails to  
88 make an election pursuant to subsection 1 of this section within ninety days of the annuity  
89 starting date contained in such retirement application shall be nullified. Any member whose  
90 retirement application is nullified shall not receive retirement benefits until the member files a  
91 new application for retirement pursuant to section 104.401 and makes the election pursuant to  
92 subsection 1 of this section. In no event shall any retroactive retirement benefits be paid.

93           **8. A member may change a member's election made under this section at any time**  
94 **prior to the system mailing or electronically transferring the first annuity payment to such**  
95 **member.**

          104.410. 1. Any uniformed member of the water patrol who shall be affirmatively found  
2 by the board to be wholly and permanently incapable of holding any position of gainful  
3 employment as a result of injuries or illness incurred in the performance of the member's duties  
4 shall be entitled to receive disability benefits in an amount equal to one-half of the compensation  
5 that the employee was receiving at the time of the occurrence of the injury entitling the employee  
6 to such disability benefits. Any disability benefit payable pursuant to this subsection shall be  
7 decreased by any amount paid to such uniformed member of the water patrol by reason of the  
8 workers' compensation laws of this state. After termination of payment under workers'  
9 compensation, however, any such reduction and disability benefits shall be restored.

10           2. The board of trustees may require a medical examination of any uniformed member  
11 of the water patrol who is receiving disability benefits pursuant to this section at any time by a  
12 designated physician, and disability benefits shall be discontinued if the board finds that such  
13 member is able to perform the duties of the member's former position, or if such member refuses  
14 to submit to such an examination.

15           3. The disability benefits described in this section shall not be paid to any uniformed  
16 member of the water patrol who has retained or regained more than fifty percent of the member's  
17 earning capacity. If any uniformed member of the water patrol who has been receiving disability  
18 benefits again becomes an employee, the member's disability benefits shall be discontinued, the  
19 member's prior period of creditable service shall be restored, and any subsequent determination  
20 of benefits due the member or the member's survivors shall be based on the sum of the member's  
21 creditable service accrued to the date the member's disability benefits commenced and the period  
22 of creditable service after the member's return to employment.

23           4. Any uniformed member of the water patrol receiving benefits pursuant to the  
24 provisions of this section for five or more years immediately prior to attainment of age fifty-five  
25 shall be considered a normal retirant at age fifty-five, and may elect, within thirty days preceding  
26 the attainment of age fifty-five, option 1 of section 104.395, but only for the member's spouse  
27 who was the member's spouse for two or more years prior to the member's attainment of age  
28 fifty-five.

29           5. Any member who is receiving disability benefits as of December 31, 1985, or any  
30 member who is disabled on December 31, 1985, and would have been entitled to receive  
31 disability benefits pursuant to this section as the provisions of this section existed immediately  
32 prior to September 28, 1985, shall be eligible to receive or shall continue to receive benefits in  
33 accordance with such prior provisions of this section until the member again becomes an  
34 employee; however, all employees of the department of conservation who are disabled shall  
35 receive benefits pursuant only to this section or section 104.518, whichever is applicable, and  
36 shall not be eligible for benefits under any other plan or program purchased or provided after  
37 September 28, 1985.

38           6. Any member who qualifies for disability benefits pursuant to subsection 1 of this  
39 section or pursuant to the provisions of section 104.518, or under a long-term disability program  
40 provided by the member's employing department as a consequence of employment by the  
41 department, shall continue to accrue creditable service based on the member's rate of pay  
42 immediately prior to the date the member became disabled in accordance with sections 104.370,  
43 104.371, 104.374 and 104.615, until the date the member's retirement benefit goes into pay  
44 status, the disability benefits cease being paid to the member, or the member is no longer  
45 disabled, whichever comes first. Persons covered by the provisions of sections 476.515 to  
46 476.565, RSMo, or sections 287.812 to 287.855, RSMo, who qualify for disability benefits  
47 pursuant to the provisions of section 104.518, at the date the person becomes disabled, shall  
48 continue to accrue creditable service based on the person's rate of pay immediately prior to the  
49 date the person becomes disabled until the date the person's retirement benefit goes into pay  
50 status, the disability benefits cease being paid to the person or the person is no longer disabled,  
51 whichever comes first. [Members or persons continuing to accrue creditable service pursuant  
52 to this subsection shall be entitled to continue their life insurance coverage subject to the  
53 provisions of the life insurance plan administered by the board pursuant to section 104.517.] **For**  
54 **the purposes of life insurance coverage under sections 104.515 and 104.517, a person who**  
55 **is receiving disability benefits under this section shall be required to pay the cost of life**  
56 **insurance coverage provided under section 104.517 in order to receive such coverage,**  
57 **unless such person is eligible to receive such insurance at no cost under any waiver of**  
58 **premium provision that may exist under the contract for life insurance. For purposes of**

59 **eligibility to apply for retirement, persons receiving disability benefits under this section**  
60 **shall be treated as if they were active employees during their period of disability.** The rate  
61 of pay for purposes of calculating retirement benefits for a member or person described in this  
62 subsection who becomes disabled and retires on or after August 28, 1999, shall be the member's  
63 or person's regular monthly compensation received at the time of disablement, increased  
64 thereafter for any increases in the consumer price index. Such increases in the member's monthly  
65 pay shall be made annually beginning twelve months after disablement and shall be equal to  
66 eighty percent of the increase in the consumer price index during the calendar year prior to the  
67 adjustment, but not more than five percent of the member's monthly pay immediately before the  
68 increase. Such accruals shall continue until the earliest of: receipt of an early retirement annuity,  
69 attainment of normal retirement eligibility or termination of disability benefits.

70         7. A member or person who continues to be disabled as provided in subsection 6 of this  
71 section until the member's normal retirement age shall be eligible to retire on the first day of the  
72 month next following the member's or person's final payment pursuant to section 104.518 or, if  
73 applicable, subsection 1 of this section. A member or person who retires pursuant to this  
74 subsection shall receive the greater of the normal annuity or the minimum annuity, if applicable,  
75 determined pursuant to sections 104.370, 104.371, 104.374 and 104.615, and section 287.820,  
76 RSMo, and section 476.530, RSMo, as if the member or person had continued in the active  
77 employ of the employer until the member's or person's retirement benefit goes into pay status,  
78 the disability benefits cease being paid to the member or person, or the member or person is no  
79 longer disabled, whichever comes first and the member's or person's compensation for such  
80 period had been the member's or person's rate of pay immediately preceding the date the member  
81 or person became disabled.

82         8. If a member who has been disabled becomes an employee again and if the member  
83 was disabled during the entire period of the member's absence, then the member shall resume  
84 active participation as of the date of reemployment. Such a member shall receive creditable  
85 service for the entire period the member was disabled as provided in subsection 6 of this section.

86         9. If a member ceases to be disabled and if the member does not return to work as  
87 provided in subsection 8 of this section, the member's rights to further benefits shall be  
88 determined in accordance with sections 104.335, 104.380, 104.400, 104.420 and 104.615 as  
89 though the member had withdrawn from service as of the date the member ceased to be disabled,  
90 as determined by the system.

104.450. The board of trustees shall consist of the state treasurer, the commissioner of  
2 administration, two members of the senate appointed by the president pro tem of the senate, two  
3 members of the house of representatives appointed by the speaker of the house, two members  
4 appointed by the governor, and three **elected** members [who are members of the system, one of

5 whom] **that shall each serve four-year terms. One elected member** shall be a retiree elected  
6 by a plurality vote of [retired members] **retirees** and two of [whom] **the elected members** shall  
7 be employees, elected by a plurality vote of [the members of the system not retired for four-year  
8 terms] **employees and former employees eligible for a deferred annuity and not retired. For**  
9 **purposes of this section, "retiree" shall include any retiree under this chapter, any judge**  
10 **as defined under section 476.515, RSMo, who is retired, and any administrative law judge**  
11 **or legal advisor as those terms are defined under section 287.812, RSMo, who is retired.**  
12 **For purposes of this section, "employees" shall include any employee under this chapter**  
13 **who is actively employed, any judge as defined under section 476.515, RSMo, who is**  
14 **actively employed, and any administrative law judge or legal advisor as those terms are**  
15 **defined under section 287.812, RSMo, who is actively employed.** The board so constituted  
16 shall **determine, by board rule, the** procedures for nomination and election of the elective  
17 board members. The first two trustees designated above shall serve as trustees during their  
18 respective terms of office; the legislative members shall serve as trustees until such time as they  
19 resign, are no longer members of the general assembly, or are replaced by new appointments; and  
20 the members appointed by the governor shall serve as trustees until such time as they resign or  
21 are replaced by new appointments. Any vacancies occurring in the office of trustees shall be  
22 filled in the same manner as the office was filled previously except that vacancies occurring in  
23 the offices of the elected board members may be filled by the board of trustees until the next  
24 regularly scheduled election.

104.490. 1. Should any error result in any member or beneficiary receiving more or less  
2 than he or she would have been entitled to receive had the error not occurred, the board shall  
3 correct such error, and, as far as practicable, make future payments in such a manner that the  
4 actuarial equivalent of the benefit to which such member or beneficiary was entitled shall be  
5 paid, and to this end may recover any overpayments. **In all cases in which an error has been**  
6 **made, no such error shall be corrected unless the system discovers or is notified of such**  
7 **error within ten years after the date of error.**

8 2. A person who knowingly makes a false statement, or falsifies or permits to be falsified  
9 a record of the system, in an attempt to defraud the system is subject to fine or imprisonment  
10 pursuant to the Missouri revised statutes.

11 3. The board of trustees of the Missouri state employees' retirement system shall cease  
12 paying benefits to any survivor or beneficiary who is charged with the intentional killing of a  
13 member without legal excuse or justification. A survivor or beneficiary who is convicted of such  
14 charge shall no longer be entitled to receive benefits. If the survivor or beneficiary is not  
15 convicted of such charge, the board shall resume payment of benefits and shall pay the survivor  
16 or beneficiary any benefits that were suspended pending resolution of such charge.

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 **regardless of whether or not the employee is employed in more than one position**  
14 **that qualifies the employee to receive retirement benefits under this chapter.** Nothing under  
15 this section shall allow a member to vest in the retirement system by using such credited sick  
16 leave to reach the time of vesting.

**104.603. 1. For purposes of this section, the term "member" shall include any**  
2 **member under this chapter, an administrative law judge or legal advisor under chapter**  
3 **287, RSMo, or a judge under chapter 476, RSMo, who is receiving a retirement annuity**  
4 **based on the member's creditable or credited service from either system; except that a**  
5 **member covered under sections 104.010 to 104.272 shall not be considered a member under**  
6 **this section.**

7 **2. Notwithstanding the provisions of sections 104.380 and 104.1039 or any other**  
8 **law, any member who is employed, elected, or appointed and begins serving on or after**  
9 **September 1, 2005, as an employee by a department, an administrative law judge or legal**  
10 **advisor, or a judge, shall not receive a retirement annuity based on the member's**  
11 **creditable or credited service under this chapter, chapter 287, RSMo, or chapter 476,**  
12 **RSMo, during any month or part of a month while such member is so employed.**

13 **3. A member described in subsection 2 of this section who retired under the closed**  
14 **plan as defined under subsection 7 of section 104.1003 and who is employed, elected, or**  
15 **appointed as an employee by a department shall be considered to be an employee with no**  
16 **previous creditable service and will accrue creditable service under the closed plan while**  
17 **so employed. Such member shall not be required to meet age and service requirements for**  
18 **retirement eligibility under the closed plan and upon termination of employment shall**  
19 **receive an additional monthly annuity calculated under the closed plan based on the type**  
20 **of service accrued. If the member's original annuity was based on an early retirement**



21 reduction, the additional annuity shall be calculated using a reduction based on the  
22 member's age at the time the additional annuity is calculated and the amount of service  
23 since reemployment unless the member's age and total years of service under the original  
24 and additional annuity would make the member eligible for a normal annuity, in which  
25 case, the additional annuity shall be calculated as a normal retirement annuity based on  
26 the member's service since reemployment.

27       4. A member described in subsection 2 of this section who retired under the year  
28 2000 plan under sections 104.1003 to 104.1093 and who is employed, elected, or appointed  
29 as an employee by a department shall be considered to be an employee with no previous  
30 credited service and will accrue credited service under the year 2000 plan while so  
31 employed. Such member shall not be required to meet age and service requirements for  
32 retirement eligibility under the year 2000 plan and upon termination of employment shall  
33 receive an additional monthly annuity calculated under the year 2000 plan based on the  
34 type of service accrued. If the member's original annuity was based on an early retirement  
35 reduction, the additional annuity shall be calculated using a reduction based on the  
36 member's age at the time the additional annuity is calculated and the amount of service  
37 since reemployment unless the member's age and total years of service under the original  
38 and additional annuity would make the member eligible for a normal retirement annuity,  
39 in which case, the additional annuity shall be calculated as a normal retirement annuity  
40 based on the member's service since reemployment.

41       5. A member who was an administrative law judge, legal advisor, or judge  
42 described in subsection 2 of this section who has not retired under a retirement plan  
43 created under this chapter and who is employed, elected, or appointed as an employee by  
44 a department shall be considered to be a new employee with no previous credited service  
45 and will accrue credited service under the year 2000 plan under sections 104.1003 to  
46 104.1093 while so employed. Such member shall not be required to meet age and service  
47 requirements for retirement eligibility under the year 2000 plan and upon termination of  
48 employment shall receive an additional monthly annuity calculated under the year 2000  
49 plan based on the type of service accrued.

50       6. The original annuity or benefit, the additional annuity described in this section,  
51 or any annuity paid under section 104.420 or 104.1030, shall be paid commencing with the  
52 end of the first month after the month during which the member terminates employment.  
53 The original annuity or benefit, the additional annuity, or any annuity paid under section  
54 104.420 or 104.1030 shall be paid by the system that issued the original annuity or benefit;  
55 except that in the event a member dies prior to termination of employment, an annuity  
56 shall be paid under section 104.420 or 104.1030 in lieu of an additional annuity otherwise

57 described in this section, and such member shall not be required to meet age and service  
58 requirements for retirement eligibility for an annuity paid under section 104.420 or  
59 104.1030. A member, or the member's beneficiary in the event the member dies prior to  
60 termination of employment, shall transfer the member's creditable or credited service to  
61 the system that paid the original annuity if the member accrued such service in a different  
62 system. The system that paid the original annuity shall pay the additional annuity or the  
63 annuity under section 104.420 or 104.1030, based on the retirement formula that otherwise  
64 would apply based on the position in which the member was employed for the period of  
65 service applicable to the additional annuity or the annuity under section 104.420 or  
66 104.1030. The annuity option and plan election for the additional annuity shall be the  
67 same as the original annuity or benefit subject to any modifications that may have been  
68 made to the original annuity as provided by law; except that the annuity option for an  
69 annuity paid under section 104.420 or 104.1030 shall be as provided in those sections.  
70 Cost-of-living adjustments shall be paid on both annuities based on the original cost-of-  
71 living payment date for the original annuity or benefit. In no event shall any cost-of-living  
72 adjustments be paid or accrued during the member's period of employment.

104.606. Any member of either system who purchases creditable service or credited  
2 service under this chapter or chapter 105, RSMo, must apply and complete the purchase  
3 prior to applying to receive a retirement annuity in order to receive credit for such  
4 purchase.

104.607. 1. Either system may elect by a majority vote of its board of trustees to  
2 establish and administer an arrangement and fund to pay accrued benefits of its members  
3 to its member under this chapter to the extent that the accrued benefits paid out of the  
4 fund would not otherwise be payable under limitations in Section 415 of the Internal  
5 Revenue Code. An arrangement and fund established under this section shall be kept  
6 separate from the pension's fund assets.

7 2. If an arrangement and fund is established by a retirement system under  
8 subsection 1 of this section, the arrangement and fund shall be established and  
9 administered in accordance with Section 415(m) of the Internal Revenue Code. The board  
10 may establish and adopt policies and procedures for the arrangement and fund.

11 3. If an arrangement and fund is established by a retirement system under  
12 subsection 1 of this section, the benefits paid from the fund shall be paid out of employer  
13 contributions or other eligible assets. The board shall determine the amount of the  
14 employer contribution that shall be allocated to the arrangement and fund. Employer  
15 contributions and other eligible assets that are contributed to the arrangement and fund  
16 shall be deposited in the arrangement and fund before deposits are made to the system.

17           **4. Nothing in this section is intended to limit the amount of employer contributions**  
18 **that are contributed to a retirement fund for the accrued benefits that are allowed to be**  
19 **paid under Section 415 of the Internal Revenue Code.**

          104.620. 1. Any member who has not received a lump sum payment equal to the sum  
2 total of the contributions that the member paid into the retirement system, plus interest credited  
3 to his or her account, shall be entitled to such a lump sum payment. Lump sum payments made  
4 pursuant to this section shall not be reduced by any retirement benefits which a member is  
5 entitled to receive, but shall be paid in full out of appropriate funds pursuant to appropriations  
6 for this purpose.

7           2. In the event any accumulated contributions standing to a member of the Missouri state  
8 employees' retirement system's credit remains unclaimed by such member for a period of four  
9 years or more, such accumulated contributions shall automatically revert to the credit of the fund  
10 for the Missouri state employees' retirement system. If an application is made, after such  
11 reversion, for such accumulated contributions, the board shall pay such contributions from the  
12 fund for the Missouri state employees' retirement system; except that, no interest shall be paid  
13 on such funds after the date of the reversion to the fund for the Missouri state employees'  
14 retirement system.

15           3. In the event any amount is due a deceased member, survivor, or beneficiary who dies  
16 after September 1, 2002, such amount shall be paid to the person or entity designated in writing  
17 as beneficiary to receive such amount by such member, survivor, or beneficiary. The member,  
18 survivor, or beneficiary may designate in writing a beneficiary to receive any final payment due  
19 after the death of a member, survivor, or beneficiary pursuant to this chapter. If no living person  
20 or entity so designated as beneficiary exists at the time of death, such amount shall be paid to the  
21 surviving spouse married to the deceased member, survivor, or beneficiary at the time of death.  
22 If no surviving spouse exists, such amount shall be paid to the surviving children or their  
23 descendants of such member, survivor, or beneficiary in equal parts. If no surviving children or  
24 any of their descendants exist, such amount shall be paid to the surviving parents of such  
25 member, survivor, or beneficiary in equal parts. If no surviving parents exist, such amount shall  
26 be paid to the surviving brothers, sisters, or their descendants of such member, survivor, or  
27 beneficiary in equal parts. If no surviving brothers, sisters, or their descendants exist, payment  
28 may be made as otherwise permitted by law. Notwithstanding this subsection, any amount due  
29 to a deceased member as payment of all or part of a lump sum pursuant to section 104.625 shall  
30 be paid to the member's surviving spouse married to the member at the time of death, and  
31 otherwise payment may be made as provided in this subsection. In the event any amount that  
32 is due to a member of either system remains unclaimed by such member for a period of four  
33 years or more, such amount shall automatically revert to the credit of the fund of the member's

34 system. If an application is made after such reversion for such amount, the board shall pay such  
35 amount from the board's fund to the member, except that no interest shall be paid on such funds  
36 after the date of the reversion to the fund.

37 4. The beneficiary of any member who purchased creditable service in the Missouri state  
38 employees' retirement system shall receive a refund upon the member's death equal to the amount  
39 of any purchase less any retirement benefits received by the member unless an annuity is payable  
40 to a survivor or beneficiary as a result of the member's death. In that event, the beneficiary of  
41 the survivor or beneficiary who received the annuity shall receive a refund upon the survivor's  
42 or beneficiary's death equal to the amount of the member's purchase of service less any annuity  
43 amounts received by the member and the survivor or beneficiary.

44 **5. The provisions of this section shall apply to any administrative law judge, legal**  
45 **advisor or beneficiary as defined under section 287.812, RSMo, or any judge or beneficiary**  
46 **as defined under section 476.515, RSMo, or any special commissioner under section**  
47 **476.450, RSMo.**

104.800. 1. Except as otherwise provided by law, any person [having earned creditable  
2 service pursuant to the provisions of the state employees' retirement system or pursuant to the  
3 provisions of the state transportation department employees' and highway patrol retirement  
4 system or having service as a statewide state elective officer or having service as a member of  
5 the general assembly or having service pursuant to the provisions of sections 287.812 to 287.855,  
6 RSMo, or having service as a judge, as defined in section 476.515, RSMo, may elect prior to  
7 retirement and not after retirement, to make a one-time transfer of credit for such service or such  
8 creditable service to or from any other retirement system or type of service specified in this  
9 section or sections 56.800 to 56.840, RSMo, for which the person has accumulated service or  
10 creditable service. The amount of transferred credit shall be accumulated with the amount of  
11 such creditable service or such service earned by the person in the retirement system or type of  
12 service to which the service is transferred for purposes of determining the benefits to which the  
13 person is entitled under the retirement system or type of service to which the service is  
14 transferred. The transfer of such creditable service or service shall become effective on the first  
15 day of the second month following the month in which the person files written notification of  
16 the person's election with the retirement boards affected by such service transfer. When the  
17 election to transfer creditable service or service becomes effective, the person shall thereby  
18 forfeit any claim to any benefit under the provisions of the retirement system or type of service,  
19 as the case may be, from which the service or creditable service was transferred regardless of the  
20 amount of service or creditable service previously earned in such retirement system or type of  
21 service] **who has creditable service, forfeited creditable service, or service under two or**  
22 **more of the following categories as:**

- 23           **(1) An employee;**  
24           **(2) A member of the general assembly;**  
25           **(3) A statewide elected official;**  
26           **(4) An employee under sections 56.800 to 56.840, RSMo;**  
27           **(5) An administrative law judge or legal advisor under sections 287.812 to 287.855,**  
28 **RSMo; or**  
29           **(6) A judge under sections 476.515 to 476.565, RSMo;**

30  
31 **may elect to make a one-time transfer of such service between any categories specified in**  
32 **this subsection in which the person has such service prior to the transfer. The transfer**  
33 **shall not occur unless the person has terminated employment in the category from which**  
34 **service is being transferred. When the election to transfer such service becomes effective,**  
35 **the retirement system shall credit the transferred service as service in the category in which**  
36 **it was transferred. Thereafter the person shall forfeit any claim to any benefit based on**  
37 **such transferred service and any remaining service in excess of the limitation of the amount**  
38 **of service that can be transferred under this section.** Any person who has transferred service  
39 pursuant to this subsection prior to August 28, 2002, and who is an employee covered by a  
40 retirement plan described in this subsection after that date, may elect to make an additional  
41 transfer of service prior to retirement if additional service would otherwise be available to be  
42 transferred except for the forfeiture of that service after the previous transfer. In no event shall  
43 the amount of service that a person shall be entitled to transfer pursuant to the provisions of this  
44 section exceed eight years.

45           2. In the event of the death of a member before retirement and prior to exercising transfer  
46 rights pursuant to the provisions of this section, survivorship benefits shall be computed as if  
47 such person had in fact exercised or not exercised the person's transfer rights to produce the most  
48 advantageous benefit possible.

49           3. Any person that has earned creditable service pursuant to the provisions governing the  
50 Missouri state employees' retirement system or pursuant to the provisions of chapter 287, RSMo,  
51 or chapter 476, RSMo, who terminated employment prior to August 13, 1986, shall, upon  
52 application to the board of trustees of the Missouri state employees' retirement system, be made,  
53 constituted and appointed and employed by the board as a special consultant on the problems of  
54 retirement, aging and other state matters for the remainder of the person's life. Upon request of  
55 the board or the court from which the person retired, the consultant shall give opinions or be  
56 available to give opinions in writing or orally in response to such request. As compensation for  
57 such services, the consultant shall be eligible, prior to retirement, to make a one-time transfer of  
58 creditable service as provided in this section.

104.1003. Unless a different meaning is plainly required by the context, the following  
2 words and phrases as used in sections 104.1003 to 104.1093 shall mean:

3 (1) "Act", the "Year 2000 Plan" created by sections 104.1003 to 104.1093;

4 (2) "Actuary", an actuary who is experienced in retirement plan financing and who is  
5 either a member of the American Academy of Actuaries or an enrolled actuary under the  
6 Employee Retirement Income Security Act of 1974;

7 (3) "Annuity", annual benefit amounts, paid in equal monthly installments, from funds  
8 provided for in, or authorized by, sections 104.1003 to 104.1093;

9 (4) "Annuity starting date" means the first day of the first month with respect to which  
10 an amount is paid as an annuity pursuant to sections 104.1003 to 104.1093;

11 (5) "Beneficiary", any person or entity entitled to receive an annuity or other benefit  
12 pursuant to sections 104.1003 to 104.1093 based upon the employment record of another person;

13 (6) "Board of trustees", "board", or "trustees", a governing body or bodies established  
14 for the year 2000 plan pursuant to sections 104.1003 to 104.1093;

15 (7) "Closed plan", a benefit plan created pursuant to this chapter and administered by a  
16 system prior to July 1, 2000. No person first employed on or after July 1, 2000, shall become  
17 a member of the closed plan, but the closed plan shall continue to function for the benefit of  
18 persons covered by and remaining in the closed plan and their beneficiaries;

19 (8) "Consumer price index", the Consumer Price Index for All Urban Consumers for the  
20 United States, or its successor index, as approved by the board, as such index is defined and  
21 officially reported by the United States Department of Labor, or its successor agency;

22 (9) "Credited service", the total credited service to a member's credit as provided in  
23 sections 104.1003 to 104.1093;

24 (10) "Department", any department or agency of the executive, legislative, or judicial  
25 branch of the state of Missouri receiving state appropriations, including allocated funds from the  
26 federal government but not including any body corporate or politic unless its employees are  
27 eligible for retirement coverage from a system pursuant to this chapter as otherwise provided by  
28 law;

29 (11) "Early retirement eligibility", a member's attainment of fifty-seven years of age and  
30 the completion of at least five years of credited service;

31 (12) "Effective date", July 1, 2000;

32 (13) "Employee" shall be any person who is employed by a department and is paid a  
33 salary or wage by a department in a position normally requiring the performance of duties of not  
34 less than one thousand **forty** hours per year, provided:

35 (a) The term "employee" shall not include any patient or inmate of any state, charitable,  
36 penal or correctional institution, or any person who is employed by a department in a position  
37 that is covered by a state-sponsored defined benefit retirement plan not created by this chapter;

38 (b) The term "employee" shall be modified as provided by other provisions of sections  
39 104.1003 to 104.1093;

40 (c) The system shall consider a person who is employed in multiple positions  
41 simultaneously within a single agency to be working in a single position for purposes of  
42 determining whether the person is an employee as defined in this subdivision;

43 (d) Beginning September 1, 2001, the term "year" as used in this subdivision shall mean  
44 the twelve-month period beginning on the first day of employment;

45 (e) **The term "employee" shall include any person as defined under paragraph (b)**  
46 **of subdivision (20) of subsection 1 of section 104.010 who is employed on or after July 1,**  
47 **2000;**

48 (14) "Employer", a department;

49 (15) "Executive director", the executive director employed by a board established  
50 pursuant to the provisions of sections 104.1003 to 104.1093;

51 (16) "Final average pay", the average pay of a member for the thirty-six full consecutive  
52 months of service before termination of employment when the member's pay was greatest; or if  
53 the member was on workers' compensation leave of absence or a medical leave of absence due  
54 to an employee illness, the amount of pay the member would have received but for such leave  
55 of absence as reported and verified by the employing department; or if the member was  
56 employed for less than thirty-six months, the average monthly pay of a member during the period  
57 for which the member was employed. **The board of each system may promulgate rules for**  
58 **purposes of calculating final average pay and other retirement provisions to accommodate**  
59 **for any state payroll system in which pay is received on a monthly, semimonthly, biweekly,**  
60 **or other basis;**

61 (17) "Fund", a fund of the year 2000 plan established pursuant to sections 104.1003 to  
62 104.1093;

63 (18) "Investment return", or "interest", rates as shall be determined and prescribed from  
64 time to time by a board;

65 (19) "Member", a person who is included in the membership of the system, as set forth  
66 in section 104.1009;

67 (20) "Normal retirement eligibility", a member's attainment of at least sixty-two years  
68 of age and the completion of at least five or more years of credited service or, the attainment of  
69 at least forty-eight years of age with a total of years of age and years of credited service which  
70 is at least eighty or, in the case of a member of the highway patrol who shall be subject to the

71 mandatory retirement provisions of section 104.080, the mandatory retirement age and  
72 completion of five years of credited service or, the attainment of at least forty-eight years of age  
73 with a total of years of age and years of credited service which is at least eighty;

74 (21) "Pay" shall include:

75 (a) All salary and wages payable to an employee for personal services performed for a  
76 department; but excluding:

77 a. Any amounts paid after an employee's employment is terminated, unless the payment  
78 is made as a final installment of salary or wages at the same rate as in effect immediately prior  
79 to termination of employment in accordance with a state payroll system adopted on or after  
80 January 1, 2000;

81 b. Any amounts paid upon termination of employment for unused annual leave or unused  
82 sick leave;

83 c. Pay in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue  
84 Code of 1986 as amended and other applicable federal laws or regulations; and

85 d. Any nonrecurring single sum payments;

86 (b) All salary and wages which would have been payable to an employee on workers'  
87 compensation leave of absence during the period the employee is receiving a weekly workers'  
88 compensation benefit, as reported and verified by the employing department;

89 (c) All salary and wages which would have been payable to an employee on a medical  
90 leave due to employee illness, as reported and verified by the employing department;

91 (d) For purposes of members of the general assembly, pay shall be the annual salary  
92 provided to each senator and representative pursuant to section 21.140, RSMo, plus any salary  
93 adjustment pursuant to section 21.140, RSMo;

94 (22) "Retiree", a person receiving an annuity from the year 2000 plan based upon the  
95 person's employment record;

96 (23) "State", the state of Missouri;

97 (24) "System" or "retirement system", the Missouri state employees' retirement system  
98 or the transportation department and highway patrol retirement system, as the case may be;

99 (25) "Vested former member", a person entitled to receive a deferred annuity pursuant  
100 to section 104.1036;

101 (26) "Year 2000 plan", the benefit plan created by sections 104.1003 to 104.1093.

104.1012. 1. Any new state employee who would have become a member of the closed  
2 plan administered by the transportation department and highway patrol retirement system except  
3 for the creation of the year 2000 plan and persons covered by the closed plan administered by  
4 the highway and transportation employees' and highway patrol retirement system who elect year



5 2000 plan coverage as provided in section 104.1015 shall have their year 2000 plan coverage  
6 managed by that board.

7 2. Any new state employee who would have become a member of the closed plan  
8 administered by the Missouri state employees' retirement system except for the creation of the  
9 year 2000 plan or persons covered by the closed plan administered by the Missouri state  
10 employees' retirement system who elect year 2000 plan coverage as provided in section 104.1015  
11 shall have their year 2000 plan coverage managed by that board.

12 **3. In the event either board of trustees elects to provide employees, members, or**  
13 **vested former members under either the closed plan or the year 2000 plan with education**  
14 **or advice pertaining to any aspect of retirement planning, the board will not be liable for**  
15 **the retirement or investment decisions made or not made by employees, members, or vested**  
16 **former members so long as the board acts with the same care, skill, prudence, and diligence**  
17 **in the selection and monitoring of providers of education and advice, under the**  
18 **circumstances then prevailing that a prudent person acting in a similar capacity and**  
19 **familiar with those matters would use in the conduct of a similar enterprise with similar**  
20 **aims.**

104.1015. 1. Persons covered by a closed plan on July 1, 2000, shall elect whether or  
2 not to change to year 2000 plan coverage. Any such person who elects to be covered by the year  
3 2000 plan shall forfeit all rights to receive benefits under this chapter except as provided under  
4 the year 2000 plan and all creditable service of such person under the closed plan shall be  
5 credited under the year 2000 plan. Any such person who elects not to be covered by the year  
6 2000 plan shall waive all rights to receive benefits under the year 2000 plan. In no event shall  
7 any retroactive annuity be paid to such persons pursuant to sections 104.1003 to 104.1093 except  
8 as described in subsection 2 of this section.

9 2. Each retiree of the closed plan on July 1, 2000, shall be furnished by the appropriate  
10 system a written comparison of the retiree's closed plan coverage and the retiree's potential year  
11 2000 plan coverage. A retiree shall elect whether or not to change to year 2000 plan coverage  
12 by making a written election, on a form furnished by the appropriate board, and providing that  
13 form to the system by no later than twelve months after July 1, 2000, and any retiree who fails  
14 to make such election within such time period shall be deemed to have elected to remain covered  
15 under the closed plan; provided the election must be after the retiree has received from the  
16 appropriate system such written comparison. The retirement option elected under the year 2000  
17 plan shall be the same as the retirement option elected under the closed plan, except any retiree  
18 who is receiving one of the options providing for a continuing lifetime annuity to a surviving  
19 spouse under the closed plan may elect to receive an annuity under option 1 or 2 of section  
20 104.1027, or a life annuity under subsection 2 of section 104.1024, provided the person who was

21 married to the member at the time of retirement, if any, consents in writing to such election made  
22 pursuant to section 104.1024, or to any election described in this section if the person was  
23 married to a member of the Missouri state employees' retirement system. The effective date of  
24 payment of an annuity under the year 2000 plan as provided in this subsection shall begin on July  
25 1, 2000. No adjustment shall be made to retirement benefits paid to the retiree prior to July 1,  
26 2000. In order to calculate a new monthly annuity for retirees electing coverage under the year  
27 2000 plan pursuant to this subsection, the following calculations shall be made:

28 (1) Except as otherwise provided in this subsection, the retiree's gross monthly  
29 retirement annuity in effect immediately prior to July 1, 2000, shall be multiplied by the  
30 percentage increase in the life annuity formula between the closed plan and the year 2000 plan.  
31 This amount shall be added to the retiree's gross monthly retirement annuity in effect  
32 immediately prior to July 1, 2000, to arrive at the retiree's new monthly retirement annuity in the  
33 year 2000 plan on July 1, 2000. The age of eligibility and reduction factors applicable to the  
34 retiree's original annuity under the closed plan shall remain the same in the annuity payable under  
35 the year 2000 plan, except as provided in subdivision (2) of this subsection.

36 (2) If option 1 or 2 pursuant to section 104.1027 is chosen by the retiree under the year  
37 2000 plan, the new monthly retirement annuity calculated pursuant to subdivision (1) of this  
38 subsection shall be recalculated using the reduction factors for the option chosen pursuant to  
39 section 104.1027.

40 (3) If a temporary annuity is payable pursuant to subsection 4 of section 104.1024 the  
41 additional temporary annuity shall be calculated by multiplying the retiree's credited service by  
42 the retiree's final average pay by eight-tenths of one percent.

43 (4) Cost-of-living adjustments paid pursuant to section 104.1045 will commence on the  
44 anniversary of the retiree's annuity starting date coincident with or next following July 1, 2000.

45 (5) Any retiree or other person described in this section who elects coverage under the  
46 year 2000 plan based on service rendered as a member of the general assembly or as a statewide  
47 elected official shall receive an annuity under the year 2000 plan calculated pursuant to the  
48 provisions of section 104.1084 using the current monthly pay at the time of the election with  
49 future COLAs calculated pursuant to subsection 7 of section 104.1084.

50 3. Each person who is an employee and covered by the closed plan and not a retiree of  
51 the closed plan on July 1, 2000, shall elect whether or not to change to year 2000 plan coverage  
52 prior to the last business day of the month before the person's annuity starting date, and if such  
53 election has not been made within such time, annuity payments due beginning on and after the  
54 month of the annuity starting date shall be made the month following the receipt by the  
55 appropriate system of such election and any other information required by the year 2000 plan  
56 created by sections 104.1003 to 104.1093; provided, such election must be after the person has

57 received from the year 2000 plan a written comparison of the person's closed plan coverage and  
58 the person's potential year 2000 plan coverage and the election must be made in writing on a  
59 form furnished by the appropriate board. If such person dies after the annuity starting date but  
60 before making such election and providing such other information, no benefits shall be paid  
61 except as required pursuant to section 104.420 or subsection 2 of section 104.372 for members  
62 of the general assembly.

63 4. Each person who is not an employee and not a retiree and is eligible for a deferred  
64 annuity from the closed plan on July 1, 2000, shall elect whether or not to change to the year  
65 2000 plan coverage prior to the last business day of the month before the person's annuity  
66 starting date, and if such election has not been made within such time, annuity payments due  
67 beginning on and after the month of the annuity starting date shall be made the month following  
68 the receipt by the appropriate system of such election and any other information required by the  
69 year 2000 plan created by sections 104.1003 to 104.1093; provided, the election must be after  
70 the person has received from the year 2000 plan a written comparison of the person's closed plan  
71 coverage and the person's potential year 2000 plan coverage and the election must be made in  
72 writing on a form furnished by the appropriate board. If such person dies after the annuity  
73 starting date but before making such election and providing such other information, no benefits  
74 shall be paid except as required pursuant to section 104.420 or subsection 2 of section 104.372  
75 for members of the general assembly.

76 5. Each person who is not an employee and not a retiree and is eligible for a deferred  
77 annuity from the closed plan and returns to covered employment on or after July 1, 2000, shall  
78 be covered under the closed plan; provided, such person shall elect whether or not to change to  
79 the year 2000 plan coverage prior to the last business day of the month before the person's  
80 annuity starting date, and if such election has not been made within such time, annuity payments  
81 due beginning on and after the month of the annuity starting date shall be made the month  
82 following the receipt by the appropriate system of such election and any other information  
83 required by the year 2000 plan created by sections 104.1003 to 104.1093 and the election must  
84 be after the person has received from the year 2000 plan a written comparison of the person's  
85 closed plan coverage and the person's potential year 2000 plan coverage and the election must  
86 be made in writing on a form furnished by the appropriate board. If such person dies after the  
87 annuity starting date but before making such election and providing such other information, no  
88 benefits shall be paid except as required under section 104.420 or subsection 2 of section  
89 104.372 for members of the general assembly.

90 6. Each person who is not an employee and not a retiree and not eligible for a deferred  
91 annuity from the closed plan but has forfeited creditable service with the closed plan and  
92 becomes an employee on or after August 28, 2002, shall be changed to year 2000 plan coverage

93 and upon receiving credited service continuously for one year shall receive credited service for  
94 all such forfeited creditable service under the closed plan.

95 7. Each person who was employed as a member of the general assembly through  
96 December 31, 2000, covered under the closed plan, and has served at least two full biennial  
97 assemblies as defined in subdivision (24) of subsection 1 of section 104.010 but who is not  
98 eligible for a deferred annuity under the closed plan shall be eligible to receive benefits under  
99 the new plan pursuant to subdivision (5) of subsection 2 of this section upon meeting the age  
100 requirements under the new plan.

101 8. The retirees and persons described in subsections 2 and 4 of this section shall be  
102 eligible for benefits under those subsections pursuant to subsection 8 of section 104.610.

103 **9. A member may change a member's plan election made under this section at any**  
104 **time prior to the system mailing or electronically transferring the first annuity payment**  
105 **to such member.**

104.1021. 1. The appropriate board shall determine how much credited service shall be  
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 as reported through the financial and human resources  
6 system maintained by the office of administration, or if a department's employees are not paid  
7 salaries or wages through such system, as reported directly by the department, for which the  
8 member has not been paid will be converted to credited service at the time of application for  
9 retirement benefits. The member shall receive one-twelfth of a year of credited service for each  
10 one hundred and sixty-eight hours of such unused sick leave. The employing department shall  
11 not certify unused sick leave unless such unused sick leave could have been used by the member  
12 for sickness or injury. The rate of accrual of sick leave for purposes of computing years of  
13 service pursuant to this section shall be no greater than ten hours per month **regardless of**  
14 **whether or not the employee is employed in more than one position that qualifies the**  
15 **employee to receive retirement benefits under this chapter.** Such credited service shall not  
16 be used in determining the member's eligibility for retirement or final average pay. Such credited  
17 service shall be added to the credited service in the last position of employment held as a  
18 member of the system.

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

22 4. In calculating any annuity, "credited service" means a period expressed as whole years  
23 and any fraction of a year measured in twelfths that begins on the date an employee commences

24 employment in a covered position and ends on the date such employee's membership terminates  
25 pursuant to section 104.1018 plus any additional period for which the employee is credited with  
26 service pursuant to this section.

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

29         6. Any member who had active military service in the United States Army, Air Force,  
30 Navy, Marine Corps, Army or Air National Guard, Coast Guard, or any reserve component  
31 thereof prior to last becoming a member, or who is otherwise ineligible to receive credited  
32 service pursuant to subsection 1 or 5 of this section, and who became a member after the person's  
33 discharge from military service under honorable conditions may elect, prior to retirement, to  
34 purchase credited service for all such military service, but not to exceed four years, provided the  
35 person is not receiving and is not eligible to receive retirement credits or benefits from any other  
36 public or private retirement plan, other than a United States military service retirement system,  
37 for the military service to be purchased along with the submission of appropriate documentation  
38 verifying the member's dates of active service. The purchase shall be effected by the member  
39 paying to the system an amount equal to the state's contributions that would have been made to  
40 the system on the member's behalf had the member been a member for the period for which the  
41 member is electing to purchase credit and had the member's pay during such period of  
42 membership been the same as the annual pay rate as of the date the member was initially  
43 employed as a member, with the calculations based on the contribution rate in effect on the date  
44 of such member's employment with simple interest calculated from the date of employment to  
45 the date of election pursuant to this subsection. The payment shall be made over a period of not  
46 longer than two years, measured from the date of election, and with simple interest on the unpaid  
47 balance. If a member who purchased credited service pursuant to this subsection dies prior to  
48 retirement, the surviving spouse may, upon written request, receive a refund of the amount  
49 contributed for such purchase of such credited service, provided the surviving spouse is not  
50 entitled to survivorship benefits payable pursuant to the provisions of section 104.1030.

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

57         8. Any member who has service in both systems and dies or terminates employment shall  
58 have the member's service in the other system transferred to the last system that covered such  
59 member and any annuity payable to such member shall be paid by that system. Any such

60 member may elect to transfer service between systems prior to termination of employment,  
61 provided, any annuity payable to such member shall be paid by the last system that covered such  
62 member prior to the receipt of such annuity.

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

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

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

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

80 **13. Upon the death of a member who has not requested credited service under**  
81 **section 104.339, subsections 2, 6, 7, and 9 of section 104.340, subsection 12 of section**  
82 **104.342, subsection 4 of section 104.345, subsection 4 of section 104.372, section 178.639,**  
83 **RSMo, or section 211.393, RSMo, the survivor of such member who is or would be eligible**  
84 **to receive benefits under section 104.1030 may elect to have the member receive such**  
85 **credited service or transfer such service. Upon making such election, all of the provisions**  
86 **of applicable sections of law as provided in this section shall apply. Any survivor benefits**  
87 **shall be calculated as if such credited service or transferred service had been received by**  
88 **such member on a date of the death of the member.**

104.1024. 1. Any member who terminates employment may retire on or after attaining  
2 normal retirement eligibility by making application in written form and manner approved by the  
3 appropriate board. The written application shall set forth the annuity starting date which shall  
4 not be earlier than the first day of the second month following the month of the execution and  
5 filing of the member's application for retirement nor later than the first day of the fourth month  
6 following the month of the execution and filing of the member's application for retirement. **The**  
7 **payment of the annuity shall be made by the last day of each month, providing all**

8 **documentation required under section 104.1027 for the calculation and payment of the**  
9 **benefits is received by the board.**

10 2. A member's annuity shall be paid in the form of a life annuity, except as provided in  
11 section 104.1027, and shall be an amount for life equal to one and seven-tenths percent of the  
12 final average pay of the member multiplied by the member's years of credited service.

13 3. The life annuity defined in subsection 2 of this section shall not be less than a monthly  
14 amount equal to fifteen dollars multiplied by the member's full years of credited service.

15 4. If as of the annuity starting date of a member who has attained normal retirement  
16 eligibility the sum of the member's years of age and years of credited service equals eighty or  
17 more years and if the member's age is at least forty-eight years but less than sixty-two years, or,  
18 in the case of a member of the highway patrol who shall be subject to the mandatory retirement  
19 provision of section 104.080, the mandatory retirement age and completion of five years of  
20 credited service, then in addition to the life annuity described in subsection 2 of this section, the  
21 member shall receive a temporary annuity equal to eight-tenths of one percent of the member's  
22 final average pay multiplied by the member's years of credited service. The temporary annuity  
23 and any cost-of-living adjustments attributable to the temporary annuity pursuant to section  
24 104.1045 shall terminate at the end of the calendar month in which the earlier of the following  
25 events occurs: the member's death or the member's attainment of the earliest age of eligibility  
26 for reduced Social Security retirement benefits, **but no later than age sixty-two.**

27 5. The annuity described in subsection 2 of this section for any person who has credited  
28 service not covered by the federal Social Security Act, as provided in sections 105.300 to  
29 105.445, RSMo, shall be calculated as follows: the life annuity shall be an amount equal to two  
30 and five-tenths percent of the final average pay of the member multiplied by the number of years  
31 of service not covered by the federal Social Security Act in addition to one and seven-tenths  
32 percent of the final average pay of the member multiplied by the member's years of credited  
33 service covered by the federal Social Security Act.

34 6. Effective July 1, 2002, any member, except an elected official or a member of the  
35 general assembly, who has not been paid retirement benefits and continues employment for at  
36 least two years beyond the date of normal retirement eligibility, may elect to receive an annuity  
37 and lump sum payment or payments, determined as follows:

38 (1) A retroactive starting date shall be established which shall be a date selected by the  
39 member; provided, however, that the retroactive starting date selected by the member shall not  
40 be a date which is earlier than the date when a normal annuity would have first been payable.  
41 In addition, the retroactive starting date shall not be more than five years prior to the annuity  
42 starting date. The member's selection of a retroactive starting date shall be done in twelve-month

43 increments, except this restriction shall not apply when the member selects the total available  
44 time between the retroactive starting date and the annuity starting date;

45 (2) The prospective annuity payable as of the annuity starting date shall be determined  
46 pursuant to the provisions of this section, with the exception that it shall be the amount which  
47 would have been payable at the annuity starting date had the member actually retired on the  
48 retroactive starting date under the retirement plan selected by the member. Other than for the  
49 lump sum payment or payments specified in subdivision (3) of this subsection, no other amount  
50 shall be due for the period between the retroactive starting date and the annuity starting date;

51 (3) The lump sum payable shall be ninety percent of the annuity amounts which would  
52 have been paid to the member from the retroactive starting date to the annuity starting date had  
53 the member actually retired on the retroactive starting date and received a life annuity. The  
54 member shall elect to receive the lump sum amount either in its entirety at the same time as the  
55 initial annuity payment is made or in three equal annual installments with the first payment made  
56 at the same time as the initial annuity payment;

57 (4) Any annuity payable pursuant to this section that is subject to a division of benefit  
58 order pursuant to section 104.1051 shall be calculated as follows:

59 (a) Any service of a member between the retroactive starting date and the annuity  
60 starting date shall not be considered credited service except for purposes of calculating the  
61 division of benefit; and

62 (b) The lump sum payment described in subdivision (3) of this section shall not be  
63 subject to any division of benefit order; and

64 (5) For purposes of determining annual benefit increases payable as part of the lump sum  
65 and annuity provided pursuant to this section, the retroactive starting date shall be considered the  
66 member's date of retirement.

104.1027. 1. Prior to the last business day of the month before the annuity starting date,  
2 a member or a vested former member shall elect whether or not to have such member's or such  
3 vested former member's life annuity reduced, but not any temporary annuity which may be  
4 payable, and designate a beneficiary, as provided by the options set forth in this section; provided  
5 that if such election has not been made within such time, annuity payments due beginning on and  
6 after the month of the annuity starting date shall be made the month following the receipt by the  
7 appropriate system of such election and any other information required by the year 2000 plan  
8 created by sections 104.1003 to 104.1093, and further provided, that if such person dies after the  
9 annuity starting date but before making such election and providing such other information, no  
10 benefits shall be paid except as required pursuant to section 104.1030:

11 Option 1. A retiree's life annuity shall be reduced to a certain percent of the annuity  
12 otherwise payable. Such percent shall be ninety percent adjusted as follows: if the retiree's age



13 on the annuity starting date is younger than sixty-two years, an increase of three-tenths of one  
14 percent for each year the retiree's age is younger than age sixty-two years, to a maximum increase  
15 of three and six-tenths percent; and if the beneficiary's age is younger than the retiree's age on  
16 the annuity starting date, a decrease of three-tenths of one percent for each year of age difference;  
17 and if the retiree's age is younger than the beneficiary's age on the annuity starting date, an  
18 increase of three-tenths of one percent for each year of age difference; provided, after all  
19 adjustments the option 1 percent cannot exceed ninety-five percent. Upon the retiree's death,  
20 fifty percent of the retiree's reduced annuity shall be paid to such beneficiary who was the  
21 retiree's spouse on the annuity starting date or as otherwise provided by subsection 5 of this  
22 section.

23       Option 2. A retiree's life annuity shall be reduced to a certain percent of the annuity  
24 otherwise payable. Such percent shall be eighty-three percent adjusted as follows: if the retiree's  
25 age on the annuity starting date is younger than sixty-two years, an increase of four-tenths of one  
26 percent for each year the retiree's age is younger than sixty-two years, to a maximum increase  
27 of four and eight-tenths percent; and if the beneficiary's age is younger than the retiree's age on  
28 the annuity starting date, a decrease of five-tenths of one percent for each year of age difference;  
29 and if the retiree's age is younger than the beneficiary's age on the annuity starting date, an  
30 increase of five-tenths of one percent for each year of age difference; provided, after all  
31 adjustments the option 2 percent cannot exceed ninety percent. Upon the retiree's death one  
32 hundred percent of the retiree's reduced annuity shall be paid to such beneficiary who was the  
33 retiree's spouse on the annuity starting date or as otherwise provided by subsection 5 of this  
34 section.

35       Option 3. A retiree's life annuity shall be reduced to ninety-five percent of the annuity  
36 otherwise payable. If the retiree dies before having received one hundred twenty monthly  
37 payments, the reduced annuity shall be continued for the remainder of the one hundred  
38 twenty-month period to the retiree's designated beneficiary provided that if there is no beneficiary  
39 surviving the retiree, the present value of the remaining annuity payments shall be paid to the  
40 retiree's estate. If the beneficiary survives the retiree but dies before receiving the remainder of  
41 such one hundred twenty monthly payments, the present value of the remaining annuity payments  
42 shall be paid to the beneficiary's estate.

43       Option 4. A retiree's life annuity shall be reduced to ninety percent of the annuity  
44 otherwise payable. If the retiree dies before having received one hundred eighty monthly  
45 payments, the reduced annuity shall be continued for the remainder of the one hundred  
46 eighty-month period to the retiree's designated beneficiary provided that if there is no beneficiary  
47 surviving the retiree, the present value of the remaining annuity payments shall be paid to the  
48 retiree's estate. If the beneficiary survives the retiree but dies before receiving the remainder of

49 such one hundred eighty monthly payments, the present value of the remaining annuity payments  
50 shall be paid to the beneficiary's estate.

51         2. If a member is married as of the annuity starting date, the member's annuity shall be  
52 paid under the provisions of either option 1 or option 2 as set forth in subsection 1 of this section,  
53 at the member's choice, with the spouse as the member's designated beneficiary unless the spouse  
54 consents in writing to the member electing another available form of payment.

55         3. If a member has elected at the annuity starting date option 1 or 2 pursuant to this  
56 section and if the member's spouse or eligible former spouse dies after the annuity starting date  
57 but before the member dies, then the member may cancel the member's election and return to the  
58 life annuity form of payment and annuity amount, effective the first of the month following the  
59 date of such spouse's or eligible former spouse's death.

60         4. If a member designates a spouse as a beneficiary pursuant to this section and  
61 subsequently that marriage ends as a result of a dissolution of marriage, such dissolution shall  
62 not affect the option election pursuant to this section and the former spouse shall continue to be  
63 eligible to receive survivor benefits upon the death of the member.

64         5. Effective July 1, 2000, a member may make an election under option 1 or 2 after the  
65 annuity starting date as described in this section if the member makes such election within one  
66 year from the date of marriage or July 1, 2000, whichever is later, pursuant to any of the  
67 following circumstances:

68         (1) The member elected to receive a life annuity and was not eligible to elect option 1  
69 or 2 on the annuity starting date; or

70         (2) The member's annuity reverted to a normal or early retirement annuity pursuant to  
71 subsection 3 of this section, and the member remarried.

72         6. Effective September 1, 2001, the retirement application of any member who fails to  
73 make an election pursuant to subsection 1 of this section within ninety days of the annuity  
74 starting date contained in such retirement application shall be nullified. Any member whose  
75 retirement application is nullified shall not receive retirement benefits until the member files a  
76 new application for retirement pursuant to section 104.1024 and makes the election pursuant to  
77 subsection 1 of this section. In no event shall any retroactive retirement benefits be paid.

78         **7. A member may change a member's election made under this section at any time**  
79 **prior to the system mailing or electronically transferring the first annuity payment to such**  
80 **member.**

104.1030. 1. If a member with five or more years of credited service or a vested former  
2 member dies before such member's or such vested former member's annuity starting date, the  
3 applicable annuity provided in this section shall be paid.

4           2. The member's surviving spouse who was married to the member at the date of death  
5 shall receive an annuity computed as if such member had:

6           (1) Retired on the date of death with a normal retirement annuity based upon credited  
7 service and final average pay to the date of death, and without reduction if the member's age was  
8 younger than normal retirement eligibility;

9           (2) Elected option 2 provided for in section 104.1027; and

10          (3) Designated such spouse as beneficiary under such option.

11          3. If a spouse annuity is not payable pursuant to the provisions of subsection 2 of this  
12 section, or when a spouse annuity has ceased to be payable, eighty percent of an annuity  
13 computed in the same manner as if the member had retired on the date of death with a normal  
14 retirement annuity based upon credited service and final average pay to the date of death and  
15 without reduction if the member's age at death was younger than normal retirement eligibility  
16 shall be divided equally among the dependent children of the deceased member. A child shall  
17 be a dependent child until death or attainment of age twenty-one, whichever occurs first;  
18 provided the age twenty-one maximum shall be extended for any child who has been found  
19 totally incapacitated by a court of competent jurisdiction. Upon a child ceasing to be a dependent  
20 child, that child's portion of the dependent annuity shall cease to be paid, and the amounts  
21 payable to any remaining dependent children shall be proportionately increased. **Benefits**  
22 **otherwise payable to a child under eighteen years of age under this section, to a beneficiary**  
23 **under eighteen years of age under the administrative law judges and legal advisors**  
24 **retirement plan under chapter 287, RSMo, or to a beneficiary under eighteen years of age**  
25 **under the judicial retirement plan under chapter 476, RSMo, shall be payable to the**  
26 **surviving parent as natural guardian of such child if such parent has custody or assumes**  
27 **custody of such minor child, or to the legal guardian of such child, until such child attains**  
28 **age eighteen; thereafter, the benefit may be paid to the child.**

29          4. For the purpose of computing the amount of an annuity payable pursuant to this  
30 section, if the board finds that the death was the natural and proximate result of a personal injury  
31 or disease arising out of and in the course of his or her actual performance of duty as an  
32 employee, then the minimum annuity to such member's spouse or, if no spouse benefits are  
33 payable, the minimum annuity that shall be divided among and paid to such member's dependent  
34 children shall be fifty percent of final average pay. The credited service requirement of  
35 subsection 1 of this section shall not apply to any annuity payable pursuant to this subsection.

36          5. The provisions of this section shall apply to members of the general assembly and  
37 statewide elected officials except that the credited service and monthly pay requirements  
38 described in section 104.1084 shall apply notwithstanding any other language to the contrary  
39 contained in this section.

104.1042. 1. Any member who is in the Missouri state employees' retirement system  
2 pursuant to the year 2000 plan created by sections 104.1003 to 104.1093 and who becomes  
3 disabled and qualifies for long-term disability benefits and retires after August 28, 1999, or who  
4 becomes disabled and qualifies for long-term disability benefits under a program provided by the  
5 member's employing department and retires after August 28, 1999, shall continue to accrue  
6 credited service and such member's rate of pay for purposes of calculating an annuity pursuant  
7 to the year 2000 plan created by sections 104.1003 to 104.1093 shall be the member's regular  
8 monthly pay received at the time of disablement, increased thereafter for any increases in the  
9 consumer price index. Such increases in the member's monthly pay shall be made annually  
10 beginning twelve months after disablement and shall be equal to eighty percent of the increase  
11 in the consumer price index during the calendar year prior to the adjustment, but not more than  
12 five percent of the member's monthly pay immediately before the increase. Such accruals shall  
13 continue until the earliest of receipt of an early retirement annuity, attainment of normal  
14 retirement eligibility, or termination of disability benefits. **For the purposes of life insurance**  
15 **coverage under section 104.1072, a person who is receiving disability benefits under this**  
16 **section shall be required to pay the cost of life insurance coverage provided under section**  
17 **104.1072 in order to receive such coverage, unless such person is eligible to receive such**  
18 **insurance at no cost under any waiver of premium provision that may exist under the**  
19 **contract for life insurance. For purposes of eligibility to apply for retirement, persons**  
20 **receiving disability benefits under this section shall be treated as if they were active**  
21 **employees during their period of disability.**

22 2. A member described in subsection 1 of this section who continues to be disabled until  
23 normal retirement eligibility may elect an annuity starting date upon termination of disability  
24 payments and shall receive a normal retirement annuity provided for in section 104.1024.

25 3. If the member's disability terminates, disability accruals described in subsection 1 of  
26 this section shall terminate.

27 4. Upon termination of disability payments and not returning to a position in which the  
28 member is an employee, the member's rights to plan benefits shall be determined as if the  
29 member had terminated employment at time of termination of disability payments.

30 5. Any member who was disabled under the closed plan prior to July 1, 2000, and who  
31 returns to a position in which the member is an employee after July 1, 2000, shall be covered  
32 under the closed plan and shall be eligible to elect coverage under the new plan as provided by  
33 subsection 5 of section 104.1015.

104.1072. 1. Each board shall provide or contract, or both, for life insurance benefits  
2 for employees covered pursuant to the year 2000 plan as follows:

3           (1) Employees shall be provided fifteen thousand dollars of life insurance until  
4 December 31, 2000. Effective January 1, 2001, the system shall provide or contract or both for  
5 basic life insurance for employees covered under any retirement plan administered by the system  
6 pursuant to this chapter, persons covered by sections 287.812 to 287.856, RSMo, for employees  
7 who are members of the judicial retirement system as provided in section 476.590, RSMo, and,  
8 at the election of the state highways and transportation commission, employees who are members  
9 of the highways and transportation employees' and highway patrol retirement system, in the  
10 amount equal to one times annual pay, subject to a minimum amount of fifteen thousand dollars.  
11 The board shall establish by rule or contract the method for determining the annual rate of pay  
12 and any other terms of such insurance as it deems necessary to implement the requirements  
13 pursuant to this section. Annual rate of pay shall not include overtime or any other irregular  
14 payments as determined by the board. Such life insurance shall provide for triple indemnity in  
15 the event the cause of death is a proximate result of a personal injury or disease arising out of and  
16 in the course of actual performance of duty as an employee;

17           (2) Any member who terminates employment after reaching normal or early retirement  
18 eligibility and becomes a retiree within sixty days of such termination shall receive five thousand  
19 dollars of life insurance coverage.

20           2. (1) In addition to the life insurance authorized by the provisions of subsection 1 of  
21 this section, any person for whom life insurance is provided or contracted for pursuant to such  
22 subsection may purchase, at the person's own expense and only if monthly voluntary payroll  
23 deductions are authorized, additional life insurance at a cost to be stipulated in a contract with  
24 a private insurance company or as may be required by a system if the board of trustees  
25 determines that the system should provide such insurance itself. The maximum amount of  
26 additional life insurance which may be so purchased prior to January 1, 2004, is that amount  
27 which equals six times the amount of the person's annual rate of pay, subject to any maximum  
28 established by a board, except that if such maximum amount is not evenly divisible by one  
29 thousand dollars, then the maximum amount of additional insurance which may be purchased  
30 is the next higher amount evenly divisible by one thousand dollars. The maximum amount of  
31 additional life insurance which may be so purchased on or after January 1, 2004, is an amount  
32 to be stipulated in a contract with a private insurance company or as may be required by the  
33 system if the board of trustees determines that the system should provide the insurance itself.

34           (2) Any person defined in subdivision (1) of this subsection may retain an amount not  
35 to exceed sixty thousand dollars of life insurance following the date of his or her retirement if  
36 such person becomes a retiree the month following termination of employment and makes  
37 written application for such life insurance at the same time such person's application is made to  
38 the board for retirement benefits. Such life insurance shall only be provided if such person pays

39 the entire cost of the insurance, as determined by the board, by allowing voluntary deductions  
40 from the member's annuity.

41 (3) In addition to the life insurance authorized in subdivision (1) of this subsection, any  
42 person for whom life insurance is provided or contracted for pursuant to this subsection may  
43 purchase, at the person's own expense and only if monthly voluntary payroll deductions are  
44 authorized, life insurance covering the person's children or the person's spouse or both at  
45 coverage amounts to be determined by the board at a cost to be stipulated in a contract with a  
46 private insurer or as may be required by the system if the board of trustees determines that the  
47 system should provide such insurance itself.

48 (4) Effective July 1, 2000, any member who applies and is eligible to receive an annuity  
49 based on the attainment of at least forty-eight years of age with a total of years of age and years  
50 of credited service which is at least eighty shall be eligible to retain any optional life insurance  
51 described in subdivision (1) of this subsection. The amount of such retained insurance shall not  
52 be greater than the amount in effect during the month prior to termination of employment. Such  
53 insurance may be retained until the member's attainment of the earliest age for eligibility for  
54 reduced Social Security retirement benefits **but no later than age sixty-two**, at which time the  
55 amount of such insurance that may be retained shall be that amount permitted pursuant to  
56 subdivision (2) of this subsection.

57 3. The state highways and transportation commission may provide for insurance benefits  
58 to cover medical expenses for members of the highways and transportation employees' and  
59 highway patrol retirement system. The state highways and transportation commission may  
60 provide medical benefits for dependents of members and for retired members. Contributions by  
61 the state highways and transportation commission to provide the benefits shall be on the same  
62 basis as provided for other state employees pursuant to the provisions of section 104.515. Except  
63 as otherwise provided by law, the cost of benefits for dependents of members and for retirees and  
64 their dependents shall be paid by the members or retirees. The commission may contract with  
65 other persons or entities including but not limited to third-party administrators, health network  
66 providers and health maintenance organizations for all, or any part of, the benefits provided for  
67 in this section. The commission may require reimbursement of any medical claims paid by the  
68 commission's medical plan for which there was third-party liability.

69 4. The highways and transportation employees' and highway patrol retirement system  
70 may request the state highways and transportation commission to provide life insurance benefits  
71 as required in subsections 1 and 2 of this section. If the state highways and transportation  
72 commission agrees to the request, the highways and transportation employees' and highway  
73 patrol retirement system shall reimburse the state highways and transportation commission for  
74 any and all costs for life insurance provided pursuant to subdivision (2) of subsection 1 of this

75 section. The person who is covered pursuant to subsection 2 of this section shall be solely  
76 responsible for the costs of any additional life insurance. In lieu of the life insurance benefit in  
77 subdivision (2) of subsection 1 of this section, the highways and transportation employees' and  
78 highway patrol retirement system is authorized in its sole discretion to provide a death benefit  
79 of five thousand dollars.

80 5. To the extent that the board enters or has entered into any contract with any insurer  
81 or service organization to provide life insurance provided for pursuant to this section:

82 (1) The obligation to provide such life insurance shall be primarily that of the insurer or  
83 service organization and secondarily that of the board;

84 (2) Any member who has been denied life insurance benefits by the insurer or service  
85 organization and has exhausted all appeal procedures provided by the insurer or service  
86 organization may appeal such decision by filing a petition against the insurer or service  
87 organization in a court of law in the member's county of residence; and

88 (3) The board and the system shall not be liable for life insurance benefits provided by  
89 an insurer or service organization pursuant to this section and shall not be subject to any cause  
90 of action with regard to life insurance benefits or the denial of life insurance benefits by the  
91 insurer or service organization unless the member has obtained judgment against the insurer or  
92 service organization for life insurance benefits and the insurer or service organization is unable  
93 to satisfy that judgment.

104.1205. 1. The board of trustees of the Missouri state employees' retirement system  
2 shall:

3 (1) Establish a defined contribution plan for outside employees which, among other  
4 things, provides for immediate vesting;

5 (2) Select a third-party administrator to provide such services as the board determines  
6 to be necessary for the proper administration of the defined contribution plan;

7 (3) Select the investment products which shall be made available to the participants in  
8 the defined contribution plan;

9 (4) Annually establish the contribution rate used for purposes of subsection 3 of section  
10 104.1066 for employees of institutions who are other than outside employees, which shall be  
11 done by considering all such employees to be part of the general employee population within the  
12 Missouri state employees' retirement system;

13 (5) Establish the contribution rate for outside employees which shall be equal to one  
14 percent [of payroll] less than the normal cost contribution rate established pursuant to  
15 subdivision (4) of this section; and

16 (6) Establish such rules and regulations as may be necessary to carry out the purposes  
17 of this section.

18           **2. In the event the board of trustees elects to provide outside employees with**  
19 **investment education, investment advice, or a default investment option in a fund designed**  
20 **to provide a diversified investment based on the outside employee's age, the board will not**  
21 **be liable for the investment decisions made or not made by outside employees so long as**  
22 **the board acts with the same care, skill, prudence, and diligence in the selection and**  
23 **monitoring of providers of education and advice and such default investment option, under**  
24 **the circumstances then prevailing that a prudent person acting in a similar capacity and**  
25 **familiar with those matters would use in the conduct of a similar enterprise with similar**  
26 **aims.**

          104.1215. Any outside employee who has participated in the defined contribution plan  
2 established pursuant to sections 104.1200 to 104.1215 **and who received contributions** for at  
3 least six years may elect to become a member of the Missouri state employees' retirement system.  
4 Such employee shall:  
5           (1) Make such election while actively employed in a position that would otherwise be  
6 eligible for membership in the Missouri state employees' retirement system except for the  
7 provisions of sections 104.1200 to 104.1215;  
8           (2) Participate in the year 2000 plan;  
9           (3) Be considered to have met the service requirements contained in section 104.1018;  
10           (4) Not receive any credited service for service rendered while a participant in such  
11 defined contribution plan;  
12           (5) Forfeit any right to future participation in the defined contribution plan after such  
13 election; and  
14           (6) Not be eligible to receive credited service pursuant to section 104.1090 based on  
15 service rendered while a participant in such defined contribution plan.

          476.682. 1. Any person assigned as a senior judge or senior commissioner pursuant to  
2 section 26 of article V of the Missouri Constitution and who has served in this state an aggregate  
3 of at least two years, continuously or otherwise, as a judge or commissioner, shall receive for  
4 each day of service an amount equal to fifty percent of the current annual salary of the office  
5 from which the judge or senior commissioner retired attributable to one day of service.  
6 Notwithstanding the foregoing, any judge or commissioner who has retired prior to August 28,  
7 1999, who serves subsequent to said date as a senior judge or commissioner may receive  
8 compensation pursuant to this section regardless of their length of service; and no senior judge  
9 or senior commissioner shall receive less daily compensation than an amount, that when added  
10 to the daily amount of annual compensation payable pursuant to sections 476.450 to 476.595,  
11 is less than one hundred percent of the current annual salary of the office from which the judge  
12 or commissioner retired attributable to one day of service. For purposes of this subsection, one



13 year shall equal two hundred thirty-five days. No senior judge or senior commissioner shall  
14 receive compensation pursuant to this subsection in a total amount that when such compensation  
15 is added to the annual compensation, salary or retirement compensation payable pursuant to  
16 sections 476.450 to 476.595, the sum is greater than the current annual salary of the office from  
17 which the judge or commissioner retired.

18         2. A senior judge or senior commissioner assigned pursuant to section 26 of article V  
19 of the Missouri Constitution for service outside the county where he or she resides shall be  
20 reimbursed for his or her travel and other actual and necessary expenses incurred in the  
21 performance of his or her services.

22         3. On or before the tenth day of each month a senior judge or senior commissioner shall  
23 certify to the state courts administrator the period during the previous month during which he or  
24 she was assigned services and, if such services were completed, the date thereof and at the same  
25 time shall certify his or her expenses incurred and allowable under this section. The state courts  
26 administrator shall then issue a warrant to the state treasurer for the payment of the salary and  
27 expenses to the extent and within limitations provided for in this section. The state treasurer  
28 upon receipt of such warrant shall pay the same out of any appropriations made for this purpose  
29 on the last day of the month during which the warrant was received by him or her.

30         4. On or before the twentieth day of each month the state courts administrator shall  
31 certify the period of service reported by each senior judge or senior commissioner pursuant to  
32 subsection 3 of this section to the Missouri state employees' retirement system. [Any senior  
33 judge or senior commissioner] **After** accumulating two hundred thirty-five days of such service,  
34 **such senior judge or senior commissioner** shall receive credit for one year of judicial service  
35 for purposes of sections 476.520 and 476.545, **and subsequently shall receive credit for one**  
36 **year of judicial service** for each **additional period of** two hundred thirty-five days of service  
37 certified by the state courts administrator to the Missouri state employees' retirement system,  
38 except, if a pro rata portion of two hundred thirty-five days would cause the senior judge's or  
39 senior commissioner's total judicial service to equal twelve years, the Missouri state employees'  
40 retirement system shall credit the service at the time the pro rata portion is certified. [Upon  
41 receipt of such certification,] The retirement benefit of the senior judge or senior commissioner  
42 shall be recalculated [to reflect the attainment of twelve years; the adjusted benefit will become  
43 effective the first of the month following certification] **and increased prospectively after**  
44 **receiving each additional year of service or pro rata portion of a year if such pro rata**  
45 **portion would cause such senior judge or commissioner's total service to equal twelve**  
46 **years. In no event shall such senior judge or commissioner receive service credit after such**  
47 **senior judge or commissioner's total judicial service equals twelve years.**

48           5. Notwithstanding the provisions of section 476.510 or 476.565, no person shall receive  
49 benefits pursuant to the provisions of this section if the person is engaged in the private practice  
50 of law or doing a law business.

51           6. The judicial conference of the state of Missouri shall annually report on the use of  
52 senior judges and senior commissioners pursuant to this section. Such report shall include at  
53 least the number of senior judges and senior commissioners assigned, the number of cases  
54 assigned and disposed of by senior judges and senior commissioners, and the expenditures made  
55 for that purpose.