

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1306
93RD GENERAL ASSEMBLY

Reported from the Committee on Retirement February 23, 2006 with recommendation that House Committee Substitute for House Bill No. 1306 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

3825L.04C

AN ACT

To repeal sections 104.010, 104.335, 104.342, 104.344, 104.352, 104.354, 104.378, 104.380, 104.395, 104.410, 104.450, 104.490, 104.601, 104.620, 104.621, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1030, 104.1042, 104.1060, 104.1072, 104.1090, 104.1200, 104.1205, 104.1215, and 476.682, RSMo, and to enact in lieu thereof thirty-two new sections relating to state employee retirement, with penalty provisions.

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, 104.380, 104.395, 104.410, 104.450, 104.490, 104.601, 104.620, 104.621, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1030, 104.1042, 104.1060, 104.1072, 104.1090, 104.1200, 104.1205, 104.1215, and 476.682, RSMo, are repealed and thirty-two new sections enacted in lieu thereof, to be known as sections 104.010, 104.335, 104.342, 104.344, 104.352, 104.354, 104.378, 104.380, 104.395, 104.410, 104.450, 104.490, 104.601, 104.603, 104.606, 104.607, 104.620, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1030, 104.1042, 104.1060, 104.1072, 104.1090, 104.1200, 104.1205, 104.1215, and 476.682, to read as follows:

104.010. 1. The following words and phrases as used in sections 104.010 to 104.800, 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; **except that, persons described in this**
107 **paragraph shall not include any such persons who are employed on or after August 28,**
108 **2006, and who have not previously been employed in such positions;**

109 (c) "Employee" does not include special consultants employed pursuant to section
110 104.610;

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

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

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

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

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

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

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

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

126 (27) "Member", as used in sections 104.010 to 104.272 or 104.601 to 104.800 shall mean
127 a member of the highways and transportation employees' and highway patrol retirement system
128 without regard to whether or not the member has been retired. "Member", as used in this section
129 and sections 104.312 to 104.800, shall mean a member of the Missouri state employees'
130 retirement system without regard to whether or not the member has been retired;

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

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

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

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

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

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

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

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

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

166 (36) "System" or "retirement system", the [highways and transportation employees' and
167 highway patrol retirement system] **Missouri department of transportation and highway**
168 **patrol employees' retirement system**, as created by sections 104.010 to 104.270, or sections
169 104.601 to 104.800, or the Missouri state employees' retirement system as created by sections
170 104.320 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]
33 **University** or Missouri Southern State [College] **University** and Missouri Western State
34 [College] **University** shall be a member of the system; except that any person who is duly
35 certified under the laws governing the certification of teachers and who is a full-time employee
36 of such institution or institutions on June 14, 1989, and is contributing because of such
37 employment to a retirement system established under sections 169.010 to 169.140, RSMo, or
38 sections 169.410 to 169.540, RSMo, may make an election to continue in that retirement system
39 if such election is made on or before December 31, 1989. This election shall not apply to any
40 such person who commenced receiving retirement benefits prior to January 1, 1990, from any
41 state retirement system because of such service.

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

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

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

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

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

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

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

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

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

116 9. Notwithstanding any provisions of chapter 169, RSMo, to the contrary, any member
117 who becomes a member under the provisions of subsection 2, 5, or 7 of this section and who has
118 creditable service with a public school retirement system under that chapter because of

119 employment with any employer other than those defined in subsection 1, 3, or 4 of this section
120 shall immediately vest in that public school retirement system and upon attainment of the
121 minimum retirement age of that system shall be entitled to a monthly benefit based on such
122 creditable service and the law in effect at that time, provided the person does not elect to
123 withdraw the member's accumulated contributions for such creditable service from that public
124 school retirement system.

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

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

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

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

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

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

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

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

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

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

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

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

195 14. In no event shall any person receive service credit for the same period of service
196 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 **by a department** in a position covered by a [plan administered by the
17 Missouri state employees' retirement] system, with the calculations based on the contribution rate
18 in effect on the date of his or her employment under the provisions of the Missouri state
19 employees' retirement system with simple interest calculated from the date of employment from
20 which the person could first receive creditable service from the Missouri state employees'
21 retirement system to the date of election to purchase such service. The payment shall be made
22 over a period of not longer than two years, with simple interest on the unpaid balance. In no
23 event shall any person receive credit or benefits under any other retirement plan as defined
24 pursuant to section 105.691, RSMo, for creditable service purchased pursuant to the provisions
25 of this section. The contribution rate for any judge who elects to purchase service for a period
26 prior to July 1, 1998, shall be equal to a contribution rate which would be used if the judicial
27 system were funded on an actuarial basis prior to that date.

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

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

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

40 [3.] 2. Any employee described in paragraph (b) of subdivision [(18)] (20) of section
41 104.010 who is actively employed on or after September 28, 1992, shall be deemed vested for
42 purposes of determining eligibility for benefits under sections 104.320 to 104.620 after being so
43 employed 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.

104.380. If a retired member is [elected to any state office or is appointed to any state
2 office or is employed by a department in a position normally requiring the performance by the
3 person of duties during not less than one thousand hours per year,] **employed as an employee**
4 **by a department,** the member shall not receive an annuity for any month or part of a month for
5 which the member serves as an [officer or] employee, but the member shall be considered to be
6 a new employee with no previous creditable service and must accrue creditable service in order
7 to receive any additional annuity. Any retired member who again becomes an employee and who
8 accrues additional creditable service and later retires shall receive an additional amount of
9 monthly annuity calculated to include only the creditable service and the average compensation
10 earned by the member since such employment or creditable service earned as a member of the
11 general assembly. Years of membership service and twelfths of a year are to be used in
12 calculating any additional annuity except for creditable service earned as a member of the general

13 assembly, and such additional annuity shall be based on the type of service accrued. In either
14 event, the original annuity and the additional annuity, if any, shall be paid commencing with the
15 end of the first month after the month during which the member's term of office has been
16 completed, or the member's employment terminated. [If a retired member is employed by a
17 department in a position that does not normally require the person to perform duties during at
18 least one thousand hours per year, the member shall not be considered an employee as defined
19 pursuant to section 104.010.] A retired member who becomes reemployed as an employee on
20 or after August 28, 2001, in a position covered by the highways and transportation employees'
21 and highway patrol retirement system shall not be eligible to receive retirement benefits or
22 additional creditable service from the state employees' retirement system.

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] **as provided under subsection 3 of section 104.620**. If such beneficiary dies
36 after the member's date of death but before having received the remainder of the one hundred
37 twenty monthly payments of the retiree's reduced annuity, the reserve for such annuity for the
38 remainder of such one hundred twenty-month period shall be paid [to the beneficiary's estate]
39 **as provided under subsection 3 of section 104.620**; or

40 Option 4. An actuarial reduction approved by the board of the member's normal annuity
41 in reduced monthly payments for the member's life with the provision that if the member dies
42 prior to the member having received sixty monthly payments of the member's reduced annuity,
43 the member's reduced annuity to which the member would have been entitled had the member
44 lived shall be paid for the remainder of the sixty months' period to such person as the member
45 shall have nominated by written designation duly executed and filed with the board. If there be
46 no such beneficiary surviving the retirant, the reserve for such annuity for the remainder of such
47 sixty months' period shall be paid [to the retirant's estate] **as provided under subsection 3 of**
48 **section 104.620**. If such beneficiary dies after the member's date of death but before having
49 received the remainder of the sixty monthly payments of the retiree's reduced annuity, the reserve
50 for such annuity for the remainder of the sixty-month period shall be paid [to the beneficiary's
51 estate] **as provided under subsection 3 of section 104.620**.

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

57 3. For members who retire on or after August 28, 1995, in the event such member
58 elected a joint and survivor option pursuant to the provisions of this section and the member's
59 eligible spouse or eligible former spouse precedes the member in death, the member's annuity
60 shall revert effective the first of the month following the death of the spouse or eligible former
61 spouse [regardless of when the board receives the member's written application for the benefit
62 provided in this subsection, to an amount equal to the member's normal annuity, as adjusted for

63 early retirement if applicable] **to a normal annuity, as adjusted for early retirement if**
64 **applicable, if the member cancels the member's original joint and survivor election;** such
65 benefit shall include any increases the member would have received since the date of retirement
66 had the member elected a normal annuity.

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

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

81 (1) The member elected to receive a normal annuity and was not eligible to elect option
82 1 or 2 on the date retirement benefits were initiated; or

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

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

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

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

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

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

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

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

5. Any member who is receiving disability benefits as of December 31, 1985, or any member who is disabled on December 31, 1985, and would have been entitled to receive disability benefits pursuant to this section as the provisions of this section existed immediately prior to September 28, 1985, shall be eligible to receive or shall continue to receive benefits in accordance with such prior provisions of this section until the member again becomes an employee; however, all employees of the department of conservation who are disabled shall 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. 1. The board of trustees shall consist of the state treasurer, the commissioner
2 of administration, two members of the senate appointed by the president pro tem of the senate,
3 two members of the house of representatives appointed by the speaker of the house, two
4 members appointed by the governor, and three **elected** members [who are members of the
5 system, one of whom] **that shall each serve four-year terms. One elected member** shall be
6 a retiree elected by a plurality vote of [retired members] **retirees** and two of [whom] **the elected**
7 **members** shall be employees, elected by a plurality vote of [the members of the system not
8 retired for four-year terms] **employees and former employees eligible for a deferred annuity**
9 **and not retired. For purposes of this section, "retiree" shall include any retiree under this**
10 **chapter, any judge as defined under section 476.515, RSMo, who is retired, and any**
11 **administrative law judge or legal advisor as those terms are defined under section 287.812,**
12 **RSMo, who is retired. For purposes of this section, "employees" shall include any**
13 **employee under this chapter who is actively employed, any judge as defined under section**
14 **476.515, RSMo, who is actively employed, and any administrative law judge or legal**
15 **advisor as those terms are defined under section 287.812, RSMo, who is actively employed.**
16 The board so constituted shall determine, **by board rule**, the procedures for nomination and
17 election of the elective board members. The first two trustees designated above shall serve as

18 trustees during their respective terms of office; the legislative members shall serve as trustees
19 until such time as they resign, are no longer members of the general assembly, or are replaced
20 by new appointments; and the members appointed by the governor shall serve as trustees until
21 such time as they resign or are replaced by new appointments. Any vacancies occurring in the
22 office of trustees shall be filled in the same manner as the office was filled previously except that
23 vacancies occurring in the offices of the elected board members may be filled by the board of
24 trustees until the next regularly scheduled election.

25 **2. The office of a trustee as described in subsection 1 of this section shall be deemed**
26 **vacated in the event such trustee is convicted of a crime involving stealing, forgery,**
27 **counterfeiting, passing bad checks, fraud, bribery, theft or misapplication of funds as**
28 **described under chapter 570, RSMo, or a crime involving bribery, corruption, official**
29 **misconduct, or misuse of official information as described under chapter 576, RSMo.**

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 benefits begin to be paid based on the 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. 1. Any member retiring pursuant to the provisions of this chapter or any
2 member retiring pursuant to provisions of chapter 169, RSMo, who is a member of the public
3 school retirement system and who is employed by a state agency other than an institution of
4 higher learning, after working continuously until reaching retirement age, shall be credited with
5 all his 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.

17 **2. Any system established pursuant to the provisions of this chapter shall not**
18 **consider unused sick leave in determining the member's average compensation, eligibility**
19 **for deferred, early, or normal retirement, including retirement benefits based on a higher**
20 **formula, or any lump sum payment.**

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.**

5 **2. Notwithstanding the provisions of sections 104.380 and 104.1039 or any other**
6 **law, any member who is employed, elected, or appointed and begins serving on or after**
7 **September 1, 2006, as an employee by a department, an administrative law judge or legal**
8 **advisor, or a judge, shall not receive a retirement annuity based on the member's**
9 **creditable or credited service under this chapter, chapter 287, RSMo, or chapter 476,**
10 **RSMo, during any month or part of a month while such member is so employed.**

11 **3. A member described in subsection 2 of this section who retired under the closed**
12 **plan as defined under subsection 7 of section 104.1003 and who is employed, elected, or**
13 **appointed as an employee by a department shall be considered to be an employee with no**
14 **previous creditable service and will accrue creditable service under the closed plan while**
15 **so employed after completing at least one year of service. Such member shall not be**
16 **required to meet age and service requirements for retirement eligibility under the closed**
17 **plan and upon termination of employment shall receive an additional monthly annuity**
18 **calculated under the closed plan based on the type of service accrued. If the member's**
19 **original annuity was based on an early retirement reduction, the additional annuity shall**
20 **be calculated using a reduction based on the member's age at the time the additional**
21 **annuity is calculated and the amount of service since reemployment unless the member's**
22 **age and total years of service under the original and additional annuity would make the**
23 **member eligible for a normal annuity, in which case, the additional annuity shall be**

24 calculated as a normal retirement annuity based on the member's service since
25 reemployment.

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

73 7. The provisions of this section shall not apply to any member who retires under
74 the provisions of section 104.081.

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.**

104.1003. 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; **except that in no case shall more than one day of credited**
24 **service be credited any member or vested former member for any one calendar day of**
25 **eligible service credit as provided by law;**

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

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

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

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

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

40 (b) The term "employee" shall be modified as provided by other provisions of sections
41 104.1003 to 104.1093;

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

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

47 **(e) The term "employee" shall include any person as defined under paragraph (b)**
48 **of subdivision (20) of subsection 1 of section 104.010 who is first employed on or after July**
49 **1, 2000, but prior to August 28, 2006;**

50 (14) "Employer", a department;

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

53 (16) "Final average pay", the average pay of a member for the thirty-six full consecutive
54 months of service before termination of employment when the member's pay was greatest; or if
55 the member was on workers' compensation leave of absence or a medical leave of absence due
56 to an employee illness, the amount of pay the member would have received but for such leave
57 of absence as reported and verified by the employing department; or if the member was

58 employed for less than thirty-six months, the average monthly pay of a member during the period
59 for which the member was employed. **The board of each system may promulgate rules for**
60 **purposes of calculating final average pay and other retirement provisions to accommodate**
61 **for any state payroll system in which pay is received on a monthly, semimonthly, biweekly,**
62 **or other basis;**

63 (17) "Fund", a fund of the year 2000 plan established pursuant to sections 104.1003 to
64 104.1093;

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

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

69 (20) "Normal retirement eligibility", a member's attainment of at least sixty-two years
70 of age and the completion of at least five or more years of credited service or, the attainment of
71 at least forty-eight years of age with a total of years of age and years of credited service which
72 is at least eighty or, in the case of a member of the highway patrol who shall be subject to the
73 mandatory retirement provisions of section 104.080, the mandatory retirement age and
74 completion of five years of credited service or, the attainment of at least forty-eight years of age
75 with a total of years of age and years of credited service which is at least eighty;

76 (21) "Pay" shall include:

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

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

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

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

87 d. Any nonrecurring single sum payments; **and**

88 **e. Any amounts for which contributions have not been made in accordance with**
89 **section 104.1066;**

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

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

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

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

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

101 (24) "System" or "retirement system", the Missouri state employees' retirement system
102 or the [transportation department and highway patrol retirement system] **Missouri department**
103 **of transportation and highway patrol employees' retirement system**, as the case may be;

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

106 (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 **final average pay**, eligibility for **deferred, early, or**
17 **normal retirement, including retirement benefits based on a higher formula, or any lump**
18 **sum payment.** Such credited service shall be added to the credited service in the last position
19 of employment held as a member of the system.

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

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

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

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

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

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

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

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

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

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

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

81 **13. Upon the death of a member who has not requested credited service under**
82 **section 104.339, subsections 2, 6, 7, and 9 of section 104.340, subsection 12 of section**
83 **104.342, subsection 4 of section 104.345, subsection 4 of section 104.372, section 178.639,**
84 **RSMo, or section 211.393, RSMo, the survivor of such member who is or would be eligible**
85 **to receive benefits under section 104.1030 may elect to have the member receive such**
86 **credited service or transfer such service. Upon making such election, all of the provisions**
87 **of applicable sections of law as provided in this section shall apply. Any survivor benefits**
88 **shall be calculated as if such credited service or transferred service had been received by**
89 **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] **as provided under subsection 4 of section 104.1054.** If the beneficiary survives
41 the retiree but dies before receiving the remainder of such one hundred twenty monthly
42 payments, the present value of the remaining annuity payments shall be paid [to the beneficiary's
43 estate] **as provided under subsection 4 of section 104.1054.**

44 Option 4. A retiree's life annuity shall be reduced to ninety percent of the annuity
45 otherwise payable. If the retiree dies before having received one hundred eighty monthly
46 payments, the reduced annuity shall be continued for the remainder of the one hundred
47 eighty-month period to the retiree's designated beneficiary provided that if there is no beneficiary
48 surviving the retiree, the present value of the remaining annuity payments shall be paid [to the
49 retiree's estate] **as provided under subsection 4 of section 104.1054.** If the beneficiary survives
50 the retiree but dies before receiving the remainder of such one hundred eighty monthly payments,
51 the present value of the remaining annuity payments shall be paid [to the beneficiary's estate] **as**
52 **provided under subsection 4 of section 104.1054.**

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

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

62 4. If a member designates a spouse as a beneficiary pursuant to this section and
63 subsequently that marriage ends as a result of a dissolution of marriage, such dissolution shall

64 not affect the option election pursuant to this section and the former spouse shall continue to be
65 eligible to receive survivor benefits upon the death of the member.

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

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

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

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

80 **7. A member may change a member's election made under this section at any time**
81 **prior to the system mailing or electronically transferring the first annuity payment to such**
82 **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
4 who becomes disabled and qualifies for [long-term] disability benefits under a program provided
5 by the member's employing department and retires after August 28, 1999, shall continue to
6 accrue credited service and such member's rate of pay for purposes of calculating an annuity
7 pursuant to the year 2000 plan created by sections 104.1003 to 104.1093 shall be the member's
8 regular monthly pay received at the time of disablement, increased thereafter for any increases
9 in the 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.

104.1060. 1. Should any error result in any person receiving more or less than he or she
2 would have been entitled to receive had the error not occurred, the board shall correct such error,
3 and, as far as practicable, make future payments in such a manner that the actuarial equivalent
4 of the benefit to which such member or beneficiary was entitled shall be paid, and to this end
5 may recover any overpayments. In all cases in which an error has been made, no such error shall
6 be corrected unless the system discovers or is notified of such error within ten years after the date
7 [of] benefits begin to be paid based on the 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 shall be subject to fine or
10 imprisonment under the Missouri revised statutes.

11 3. A board shall not pay an annuity to any survivor or beneficiary who is charged with
12 the intentional killing of a member, retiree or survivor without legal excuse or justification. A
13 survivor or beneficiary who is convicted of such charge shall no longer be entitled to receive an
14 annuity. If the survivor or beneficiary is not convicted of such charge, the board shall resume
15 annuity payments and shall pay the survivor or beneficiary any annuity payments that were
16 suspended pending resolution of such charge.

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.

104.1090. 1. Any member who as described in subdivision (1) of subsection 1 of section
2 104.1009 has been employed in a position covered by the system for at least ten or more years
3 and has received credited service for such employment in the year 2000 plan shall receive
4 additional credited service for previous public employment within the state covered by another
5 retirement plan as defined in section 105.691, RSMo, if all of the following conditions are met:

6 (1) Such member has a vested right to receive a retirement benefit from the other
7 retirement plan at the time of application pursuant to this section;

8 (2) The other retirement plan transfers to the system an amount equal to the employee's
9 account balance under a defined contribution plan or the amount equal to the employee's pension
10 benefit obligation under a defined benefit plan at the time of transfer to the extent that obligation
11 is funded as of the plan's most recent actuarial valuation, not to exceed one hundred percent, as
12 determined by the other retirement plan's actuary using the same assumption used in performing
13 the last regular actuarial valuation of the transferring plan, except that in no event shall the
14 transferred amount be less than the employee's accumulated contributions on deposit with the
15 transferring plan;

16 (3) No such credited service remains credited in such other retirement plan; and

17 (4) The member applies for the additional credited service prior to the member's annuity
18 starting date in manner and form established by the appropriate board. Such additional credited
19 service shall be added to the credited service in the first position of employment held as a
20 member of the system.

21 2. Any member described in subsection 3 of section 104.1015 who elects to be covered
22 by the year 2000 plan shall be eligible to receive service under the terms and conditions of
23 subsection 1 of this section. **Any service that is transferred under this subsection shall be**
24 **combined with the member's creditable service in the closed plan to determine whether or**
25 **not the member has met the credited service requirement contained in subdivisions (11)**
26 **and (20) of section 104.1003.**

104.1200. As used in sections 104.1200 to 104.1215, the following terms mean:

2 (1) "Education employee", any person described in the following classifications who is
3 employed by one of the institutions, otherwise would meet the definition of "employee" pursuant
4 to section 104.010 or 104.1003, and is not employed at a technical or vocational school or
5 college: teaching personnel, instructors, assistant professors, associate professors, professors and
6 academic administrators holding faculty rank;

7 (2) "Institutions", Truman State University, Northwest Missouri State University,
8 Southeast Missouri State University, [Southwest] Missouri State University, Central Missouri
9 State University, Harris-Stowe State [College] **University**, Lincoln University, Missouri Western
10 State [College] **University** and Missouri Southern State [College] **University**;

11 (3) "Outside employee", any other provisions of sections 104.010 to 104.1093 to the
12 contrary notwithstanding, an education employee first so employed on or after July 1, 2002, who
13 has not been previously employed in a position covered by the Missouri state employee's
14 retirement system. An outside employee shall not be covered by the other benefit provisions of
15 this chapter, but rather shall be covered by the benefit provisions provided for pursuant to
16 sections 104.1200 to 104.1215.

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.

2 [104.621. All retirement systems created in this chapter shall develop an
3 affirmative action plan for the utilization of minority and women money
4 managers, brokers, and investment counselors. Such retirement systems shall
5 report their progress annually to the joint committee on public employee
retirement.]

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