

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1306

AN ACT

To repeal sections 32.040, 32.051, 70.600, 70.615, 86.254, 86.330, 86.333, 86.337, 86.340, 86.590, 87.120, 87.325, 87.330, 87.335, 87.340, 87.345, 104.010, 104.040, 104.335, 104.340, 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, 104.805, 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, 105.268, 105.660, 105.665, 105.935, 320.320, and 476.682, RSMo, and to enact in lieu thereof fifty-nine new sections relating to state employee benefits, with penalty provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Sections 32.040, 32.051, 70.600, 70.615, 86.254,
2 86.330, 86.333, 86.337, 86.340, 86.590, 87.120, 87.325, 87.330,
3 87.335, 87.340, 87.345, 104.010, 104.040, 104.335, 104.340,
4 104.342, 104.344, 104.352, 104.354, 104.378, 104.380, 104.395,
5 104.410, 104.450, 104.490, 104.601, 104.620, 104.621, 104.805,
6 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027,
7 104.1030, 104.1042, 104.1060, 104.1072, 104.1090, 104.1200,
8 104.1205, 104.1215, 105.268, 105.660, 105.665, 105.935, 320.320,
9 and 476.682, RSMo, are repealed and fifty-nine new sections

enacted in lieu thereof, to be known as sections 32.040, 70.600, 70.615, 86.254, 86.330, 86.333, 86.337, 86.590, 87.120, 87.325, 87.330, 87.335, 87.340, 87.345, 104.010, 104.040, 104.335, 104.340, 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, 104.805, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1030, 104.1042, 104.1060, 104.1072, 104.1090, 104.1095, 104.1200, 104.1205, 104.1215, 105.660, 105.665, 105.666, 105.667, 105.684, 105.935, 320.320, 321.696, 321.800, and 476.682, to read as follows:

32.040. The board of public buildings shall provide the director of revenue and the department of revenue with suitable quarters in the City of Jefferson. The director of revenue shall establish and maintain permanent branch offices in the [cities of St. Louis and] city of Kansas City, and may select additional places in the state for special full-time or temporary offices.

70.600. The following words and phrases as used in sections 70.600 to 70.755, unless a different meaning is plainly required by the context, shall mean:

(1) "Accumulated contributions", the total of all amounts deducted from the compensations of a member and standing to the member's credit in his or her individual account in the members deposit fund, together with investment credits thereon;

(2) "Actuarial equivalent", a benefit of equal reserve value;

(3) "Allowance", the total of the annuity and the pension. All allowances shall be paid not later than the tenth day of each calendar month;

1 (4) "Annuity", a monthly amount derived from the
2 accumulated contributions of a member and payable by the system
3 throughout the life of a person or for a temporary period;

4 (5) "Beneficiary", any person who is receiving or
5 designated to receive a system benefit, except a retirant;

6 (6) "Benefit program", a schedule of benefits or benefit
7 formulas from which the amounts of system benefits can be
8 determined;

9 (7) "Board of trustees" or "board", the board of trustees
10 of the system;

11 (8) "Compensation", the remuneration paid an employee by a
12 political subdivision or by an elected fee official of the
13 political subdivision for personal services rendered by the
14 employee for the political subdivision or for the elected fee
15 official in the employee's public capacity; provided, that for an
16 elected fee official, "compensation" means that portion of his or
17 her fees which is net after deduction of (a) compensation paid by
18 such elected fee official to his or her office employees, if any,
19 and (b) the ordinary and necessary expenses paid by such elected
20 fee official and attributable to the operation of his or her
21 office. In cases where an employee's compensation is not all
22 paid in money, the political subdivision shall fix the reasonable
23 value of the employee's compensation not paid in money. In
24 determining compensation no consideration shall be given to:

25 (a) Any nonrecurring single sum payment paid by an
26 employer;

27 (b) Employer contributions to any employee benefit plan or
28 trust;

1 (c) Any other unusual or nonrecurring remuneration; or

2 (d) Compensation in excess of the limitations set forth in
3 Internal Revenue Code Section 401(a)(17). The limitation on
4 compensation for eligible employees shall not be less than the
5 amount which was allowed to be taken into account under the
6 system as in effect on July 1, 1993. For purposes of this
7 paragraph, an "eligible employee" is an individual who was a
8 member of the system before the first plan year beginning after
9 December 31, 1995;

10 (9) "Credited service", the total of a member's prior
11 service and membership service, to the extent such service is
12 standing to the member's credit as provided in sections 70.600 to
13 70.755;

14 (10) "Employee", any person regularly employed by a
15 political subdivision who receives compensation from the
16 political subdivision for personal services rendered the
17 political subdivision, including any elected official of the
18 political subdivision whose position requires his or her regular
19 personal services and who is compensated wholly or in part on a
20 fee basis, and including the employees of such elected fee
21 officials who may be compensated by such elected fee officials.
22 The term "employee" may include any elected county official. The
23 term "employee" shall not include any person:

24 (a) Who is not an elected official of the political
25 subdivision and who is included as an active member in any other
26 plan similar in purpose to this system by reason of his or her
27 employment with his or her political subdivision, except the
28 federal Social Security Old Age, Survivors, and Disability

1 Insurance Program, as amended; or

2 (b) Who acts for the political subdivision under contract;
3 or

4 (c) Who is paid wholly on a fee basis, except elected
5 officials and their employees; or

6 (d) Who holds the position of mayor, presiding judge,
7 president or chairman of the political subdivision or is a member
8 of the governing body of the political subdivision; except that,
9 such an official of a political subdivision having ten or more
10 other employees may become a member if the official is covered
11 under the federal Social Security Old Age, Survivors, and
12 Disability Insurance Program, as amended, by reason of such
13 official's employment with his or her political subdivision, by
14 filing written application for membership with the board after
15 the date the official qualifies for such position or within
16 thirty days after the date his or her political subdivision
17 becomes an employer, whichever date is later;

18 (11) "Employer", any political subdivision which has
19 elected to have all its eligible employees covered by the system;

20 (12) "Final average salary", the monthly average of the
21 compensations paid an employee during the period of sixty or, if
22 an election has been made in accordance with section 70.656,
23 thirty-six consecutive months of credited service producing the
24 highest monthly average[, which period is contained within the
25 period of one hundred twenty consecutive months of credited
26 service immediately preceding his or her termination of
27 membership]. Should a member have less than sixty or, if an
28 election has been made in accordance with section 70.656,

1 thirty-six months of credited service, "final average salary"
2 means the monthly average of compensation paid the member during
3 his or her total months of credited service;

4 (13) "Fireman", any regular or permanent employee of the
5 fire department of a political subdivision, including a
6 probationary fireman. The term "fireman" shall not include:

7 (a) Any volunteer fireman; or

8 (b) Any civilian employee of a fire department; or

9 (c) Any person temporarily employed as a fireman for an
10 emergency;

11 (14) "Member", any employee included in the membership of
12 the system;

13 (15) "Membership service", employment as an employee with
14 the political subdivision from and after the date such political
15 subdivision becomes an employer, which employment is creditable
16 as service hereunder;

17 (16) "Minimum service retirement age", age sixty for a
18 member who is neither a policeman nor a fireman; "minimum service
19 retirement age", age fifty-five for a member who is a policeman
20 or a fireman;

21 (17) "Pension", a monthly amount derived from contributions
22 of an employer and payable by the system throughout the life of a
23 person or for a temporary period;

24 (18) "Policeman", any regular or permanent employee of the
25 police department of a political subdivision, including a
26 probationary policeman. The term "policeman" shall not include:

27 (a) Any civilian employee of a police department; or

28 (b) Any person temporarily employed as a policeman for an

1 emergency;

2 (19) "Political subdivision", any governmental subdivision
3 of this state created pursuant to the laws of this state, and
4 having the power to tax, except public school districts; a board
5 of utilities or a board of public works which is required by
6 charter or ordinance to establish the compensation of employees
7 of the utility separate from the compensation of other employees
8 of the city may be considered a political subdivision for
9 purposes of sections 70.600 to 70.755; a joint municipal utility
10 commission may be considered a political subdivision for purposes
11 of sections 70.600 to 70.755;

12 (20) "Prior service", employment as an employee with the
13 political subdivision prior to the date such political
14 subdivision becomes an employer, which employment is creditable
15 as service hereunder;

16 (21) "Regular interest" or "investment credits", such
17 reasonable rate or rates per annum, compounded annually, as the
18 board shall adopt annually;

19 (22) "Reserve", the present value of all payments to be
20 made on account of any system benefit based upon such tables of
21 experience and regular interest as the board shall adopt from
22 time to time;

23 (23) "Retirant", a former member receiving a system
24 allowance by reason of having been a member;

25 (24) "Retirement system" or "system", the Missouri local
26 government employees' retirement system.

27 70.615. After October 13, 1967, a political subdivision
28 shall not commence coverage of its employees [who are neither

1 policemen nor firemen] under another plan similar in purpose to
2 this system, other than under this system, except the federal
3 Social Security Old Age, Survivors, and Disability Insurance
4 Program, as amended; except that, any political corporation or
5 subdivision of this state, now having or which may hereafter have
6 an assessed valuation of [one] five hundred million dollars or
7 more, which does not now have a pension system for its officers
8 and employees adopted pursuant to state law, may provide by
9 proper legislative action of its governing body for the
10 pensioning of its officers and employees and the widows and minor
11 children of deceased officers and employees under a plan separate
12 and apart from that provided in sections 70.600 to 70.670 and
13 appropriate and utilize its revenues and other available funds
14 for such purposes, and except that the board of hospital trustees
15 of any hospital which is owned by any political corporation or
16 subdivision of this state, may provide for the pensioning of its
17 employees and the widows and minor children of deceased employees
18 under a plan separate and apart from that provided in sections
19 70.600 to 70.670, and utilize its revenues and other funds for
20 such purposes.

21 86.254. 1. Beginning July 1, 1994, in addition to any
22 other annuity, benefits, or retirement allowance provided
23 pursuant to sections 86.200 to 86.366, each present and future
24 retired member after attaining the age of sixty years shall, upon
25 application to the board of trustees, be made, constituted,
26 appointed and employed by the board of trustees as an advisor on
27 the problems of retirement, aging and other matters, for the
28 remainder of the retired member's life, and upon request of the

1 board of trustees shall give opinions in writing or orally in
2 response to such requests as may be required.

3 2. For the performance of duties required in subsection 1
4 of this section, each retired member employed as an advisor by
5 the board of trustees shall be compensated monthly in an amount
6 of [~~ten~~] fifteen dollars per month multiplied by the number of
7 years the retired member is past the age of sixty years. The
8 compensation provided by this subsection shall be adjusted
9 annually. No funding shall be required prior to the effective
10 date of this benefit.

11 3. Beginning October 1, 1999, in addition to any other
12 benefit provided to any surviving spouse pursuant to sections
13 86.200 to 86.366, each present and future surviving spouse of a
14 member after attaining the age of sixty years shall upon
15 application to the board of trustees, be made, constituted,
16 appointed and employed by the board of trustees as an advisor on
17 the problems of retirement, aging and other matters for the
18 remainder of the surviving spouse's life or until the surviving
19 spouse remarries, whichever is earlier, and upon request of the
20 board of trustees shall give opinions in writing or orally in
21 response to such requests as may be required.

22 4. For the performance of duties required in subsection 3
23 of this section, each surviving spouse of a member employed as an
24 advisor by the board of trustees shall be compensated monthly in
25 an amount of ten dollars per month multiplied by the number of
26 years the surviving spouse is past the age of sixty years. The
27 compensation provided by this subsection shall be adjusted
28 annually.

1 86.330. 1. After each annual valuation for plan years
2 beginning before October 1, 2006, the actuary engaged by the
3 board to make the valuation required by sections 86.200 to
4 86.366, shall determine the normal contribution rate. The normal
5 contribution rate shall be the rate percent of the earnable
6 compensation of all members obtained by deducting from the total
7 liabilities of the retirement system the amount of the assets in
8 hand to the credit of the retirement system and the present value
9 of expected future member contributions and dividing the
10 remainder by one percent of the present value of the prospective
11 future compensation of all members as computed on the basis of
12 mortality and service tables and interest assumptions adopted by
13 the board of trustees.

14 2. After each annual valuation for plan years beginning on
15 or after October 1, 2006, the actuary engaged by the board to
16 make the valuation required by sections 86.200 to 86.366 shall
17 determine the normal cost for such year using the entry age
18 normal actuarial cost method as defined in this subsection.
19 Under the entry age normal actuarial cost method, the actuarial
20 present value of the projected benefits of each individual
21 included in an actuarial valuation is allocated on a level basis
22 over the service of the individual between entry age and assumed
23 exit ages. The portion of this actuarial present value allocated
24 to a valuation year shall be called the normal cost.

25 86.333. [At the first valuation after the effective date of
26 these amendments the actuary engaged by the board of trustees
27 shall compute the rate percent of the total earnable compensation
28 of all members which is equivalent to four percent of the amount

1 of the total unfunded benefit liability on account of all members
2 and beneficiaries which is not dischargeable by the aforesaid
3 normal contribution made on account of such members during the
4 remainder of their active service. The rate percent originally
5 so determined shall be known as "the accrued liability

6 contribution rate".] 1. After each annual valuation for plan
7 years beginning on or after October 1, 2006, the actuary engaged
8 by the board to make the valuation required by sections 86.200 to
9 86.366 shall determine the actuarial accrued liability under the
10 entry age normal actuarial cost method. Under the entry age
11 normal actuarial cost method, the actuarial present value of the
12 projected benefits of each individual included in an actuarial
13 valuation is allocated on a level basis over the service of the
14 individual between entry age and assumed exit ages. The portion
15 of this actuarial present value of future normal costs is called
16 the actuarial accrued liability.

17 2. As of October 1, 2006, the actuary shall determine the
18 initial unfunded actuarial accrued liability as the amount by
19 which the actuarial accrued liability exceeds the actuarial value
20 of the assets of the retirement system. The amortization payment
21 for the initial unfunded actuarial accrued liability shall be
22 determined using a thirty-year period beginning on October 1,
23 2006.

24 86.337. 1. The total amount payable to the retirement
25 system for each fiscal year ended before October 1, 2006, shall
26 be not less than the normal contribution rate of the total
27 compensation earnable by all members during the year; provided,
28 however, that the aggregate payment by the said cities shall be

1 sufficient when combined with the assets of the retirement system
2 to provide the pensions and other benefits payable during the
3 then current year.

4 2. The total amount payable to the retirement system for
5 each plan year beginning on or after October 1, 2006, shall be
6 not less than the greater of the following:

7 (1) The sum of the normal cost determined under section
8 86.330 and the accrued liability contribution determined under
9 section 86.333; and

10 (2) The amount, when combined with the assets of the
11 retirement system, required to provide the pensions and other
12 benefits payable during the then-current plan year.

13 86.590. The board of trustees of police and firemen's
14 pension systems, established under the provisions of section
15 86.583, may invest and reinvest the moneys of the system, and may
16 hold, purchase, sell, assign, transfer or dispose of any of the
17 securities and investments in which such moneys shall have been
18 invested, as well as the proceeds of such investments and such
19 moneys[; except that such investment and reinvestments shall be
20 subject to all the terms, conditions, limitations, and
21 restrictions imposed by law upon life insurance or casualty
22 companies in the state of Missouri in making and disposing of
23 their investments, except that the percentage limitations of
24 subsection 2 of section 376.305, RSMo, shall not apply]. The
25 board of trustees of police and firemen's pension systems,
26 established under the provisions of section 86.583, shall comply
27 with the prudent investor standard for investment fiduciaries as
28 provided in section 105.688, RSMo, when investing the assets of

1 the system.

2 87.120. The following words and phrases as used in sections
3 87.120 to 87.370, unless a different meaning is plainly required
4 by the context, have the following meanings:

5 (1) "Accumulated contributions", the sum of all amounts
6 deducted from the compensation of a member and credited to his or
7 her individual account in the members' savings fund together with
8 interest thereon;

9 (2) "Actuarial equivalent", a benefit of equal value when
10 computed upon the basis of such mortality tables and interest
11 rate as shall be adopted by the board of trustees;

12 (3) "Average final compensation", the average earnable
13 compensation of the member during his or her last two years of
14 service as a firefighter, or if the firefighter has less than two
15 years of service, then the average earnable compensation of his
16 or her entire period of service;

17 (4) "Beneficiary", any person in receipt of a retirement
18 allowance or other benefit as provided by sections 87.120 to
19 87.370;

20 (5) "Benefit reserve", the present value of all payments to
21 be made on account of any retirement allowance or benefit in lieu
22 of a retirement allowance upon the basis of such mortality tables
23 and interest rate as shall be adopted by the board of trustees;

24 (6) "Board of trustees", the board provided for in section
25 87.140 to administer the retirement system;

26 (7) "City", any city not within a county and adopting the
27 retirement system provided by sections 87.120 to 87.370;

28 (8) "Creditable service", prior service plus membership

1 service as provided in section 87.135;

2 (9) "DROP", the deferred retirement option plan provided in
3 section 87.182;

4 (10) "Earnable compensation", the regular compensation
5 which a member would earn during one year on the basis of the
6 stated compensation for his or her rank or position;

7 (11) "Entry age normal funding method", a method under
8 which the actuarial present value of each active member's
9 projected pension and death benefits is allocated as a level
10 percentage of the earnings of the individual between entry age
11 and assumed exit ages. The portion of the funding requirement
12 allocated to a valuation year is called the normal cost. The
13 actuarial accrued liability is the portion of the actuarial
14 present value not provided for at a valuation date by the
15 actuarial present value of future normal costs;

16 (12) "Firefighter", any officer or employee of the fire
17 department of the city employed by the city for the duty of
18 fighting fires, but does not include anyone employed in a
19 clerical or other capacity not involving fire- fighting duties.
20 In case of doubt as to whether any person is a firefighter within
21 the meaning of sections 87.120 to 87.370, the decision of the
22 board of trustees shall be final;

23 [(12)] (13) "Medical board", the board of physicians
24 provided for in section 87.160;

25 [(13)] (14) "Member", a member of the retirement system as
26 defined by section 87.130;

27 [(14)] (15) "Membership service", service as a firefighter
28 rendered since last becoming a member;

1 [(15)] (16) "Prior service", all service as a firefighter
2 rendered prior to the date the system becomes operative which is
3 creditable in accordance with the provisions of section 87.135;

4 [(16)] (17) "Retirement allowance", annual payments for
5 life which shall be payable in equal monthly installments or any
6 benefits in lieu thereof granted to a member upon retirement or
7 to a beneficiary;

8 [(17)] (18) "Retirement system", the firefighter's
9 retirement system of any city as defined in section 87.125.

10 87.325. [Contributions to and payments from the general
11 reserve fund shall be as follows: On account of each member
12 there shall be paid annually into the fund by the city an amount
13 equal to a certain percentage of the earnable compensation of the
14 member to be known as "the normal contribution" and an additional
15 amount equal to a percentage of his earnable compensation to be
16 known as "the accrued liability contribution". The rates percent
17 of the contributions shall be fixed on the basis of the
18 liabilities of the retirement system as shown by actuarial
19 valuations.] Effective October 1, 2006, the city shall
20 contribute an amount determined as follows: each year, as of the
21 first day of the system's fiscal year, the actuary shall perform
22 an actuarial valuation under the entry age normal funding method
23 and utilizing such mortality and other tables as shall be adopted
24 by the board of trustees. On the basis of each valuation, there
25 shall be paid annually into the fund by the city an amount equal
26 to the "normal contribution" and an additional amount to be known
27 as "the accrued liability contribution".

28 87.330. [On the basis of the interest rate and of such

1 mortality and other tables as shall be adopted by the board of
2 trustees, the actuary shall determine the uniform and constant
3 percentage of the earnable compensation of the average new
4 entrant, which, if contributed throughout his entire period of
5 active service, would be sufficient to provide for the payment of
6 any death benefit or pension payable on his account. The rate
7 percent so determined shall be known as "the normal contribution
8 rate". After the accrued liability contribution has ceased to be
9 payable the normal contribution rate shall be the rate percent of
10 the earnable compensation of all members obtained by deducting
11 from the total liabilities of the fund the amount of the funds in
12 hand to the credit of the fund and dividing the remainder by one
13 percent of the present value of the prospective future
14 compensation of all members as computed on the basis of the
15 interest rate and the mortality and service tables adopted by the
16 board of trustees. The normal rate of contribution shall be
17 determined by the actuary after each valuation.] On the basis of
18 each annual actuarial valuation, as provided for in section
19 87.325, the "normal contribution" shall be determined as the
20 normal cost under the entry age normal funding method.

21 87.335. [At the first valuation after the effective date of
22 these amendments (in 1959) the actuary engaged by the board of
23 trustees shall compute the rate percent of the total earnable
24 compensation of all members which is equivalent to three and
25 one-half percent of the amount of the total unfunded benefit
26 liability on account of all members and beneficiaries which is
27 not dischargeable by the aforesaid normal contribution made on
28 account of such members during the remainder of their active

1 service. The rate percent originally so determined shall be
2 known as "the accrued liability contribution rate".] On October
3 1, 2006, the actuary engaged by the board of trustees shall
4 compute the level rate percent of the total earnable compensation
5 of current and future earnings of active members that will be
6 required to amortize the unfunded actuarial accrued liability, as
7 determined under the entry age normal funding method, over a
8 thirty-year period commencing October 1, 2006. Any future
9 increase or decrease in the unfunded actuarial accrued liability
10 resulting from statutory changes shall be amortized as a level
11 percentage of earnable compensation over a thirty-year period
12 commencing with the beginning of the fiscal year coincident with
13 or next following the effective date of the statutory change.
14 All other changes in the unfunded actuarial accrued liability
15 subsequent to October 1, 2006, including from experience gains
16 and losses and from changes in actuarial assumptions and methods,
17 shall be aggregated at each actuarial valuation subsequent to
18 October 1, 2006, and shall be amortized as a level percentage of
19 earnable compensation over a thirty-year period commencing at
20 that valuation date. The thirty-year amortization period for the
21 aggregated unfunded liability changes from experience gains and
22 losses and from assumption and method changes shall be
23 reestablished at each valuation date. The amount so determined
24 shall be known as "the accrued liability contribution".

25 87.340. [The total amount payable in each year to the
26 general reserve fund shall be not less than the sum of the rates
27 percent known as the normal contribution rate and the accrued
28 liability contribution rate of the total compensation earnable by

1 all members during the year, and the aggregate payment by the
2 city shall be sufficient when combined with the amount in the
3 fund to provide the retirement allowances and other benefits
4 payable out of the fund during the then current year. The city
5 may contribute at any time from bond issue or other available
6 funds an amount equal to the unfunded accrued liability as
7 certified by the actuary in which event no further accrued
8 liability contribution will be required or may contribute any
9 lesser amount which will be used to proportionately reduce future
10 accrued liability contributions.] The total amount payable in
11 each year to the general reserve fund shall not be less than the
12 sum of the normal contribution and the accrued liability
13 contribution, and the aggregate payment by the city shall be
14 sufficient when combined with the amount in the fund to provide
15 the retirement allowances and other benefits payable out of the
16 fund during the current year. The city may contribute at any
17 time from bond issue or other available funds an amount equal to
18 the unfunded accrued liability as certified by the actuary in
19 which event no further accrued liability contribution will be
20 required, except as determined at subsequent actuarial valuations
21 under section 87.335, or the city may contribute any lesser
22 amount which will be used to proportionately reduce future
23 accrued liability contributions.

24 87.345. [The accrued liability contribution should be
25 discontinued as soon as the accumulated reserve in the general
26 reserve fund shall equal the present value as actuarially
27 computed and approved by the board of trustees, of the total
28 liability of the fund, less the present value computed on the

1 basis of the normal contribution rate then in force of the
2 prospective normal contributions to be received on account of
3 persons who are at that time members. The accrued liability
4 contribution rate may be decreased by the board of trustees
5 provided the reduced level rate does not require an amortization
6 period extending beyond the year 2010 for any accrued liability
7 as of August 31, 1980. Subsequent to that date, any changes in
8 the accrued liability by reason of changes in the benefits
9 payable under the retirement system, changes in the actuarial
10 assumptions, or changes in the actuarial funding method are to be
11 amortized over a period not exceeding thirty years from the date
12 in which the additional accrued liabilities are recognized in the
13 annual actuarial valuation of the system.] The accrued liability
14 contributions should be suspended for years in which the
15 accumulated reserve in the general reserve fund equals or exceeds
16 the actuarial accrued liability as determined by an actuarial
17 valuation provided for under section 87.325. For each year in
18 which the accumulated reserve is equal to or greater than the
19 actuarial accrued liability, as determined under the entry age
20 normal funding method, the city shall contribute the normal
21 contribution.

22 104.010. 1. The following words and phrases as used in
23 sections 104.010 to 104.800, unless a different meaning is
24 plainly required by the context, shall mean:

25 (1) "Accumulated contributions", the sum of all deductions
26 for retirement benefit purposes from a member's compensation
27 which shall be credited to the member's individual account and
28 interest allowed thereon;

1 (2) "Active armed warfare", any declared war, or the Korean
2 or Vietnamese Conflict;

3 (3) "Actuarial equivalent", a benefit which, when computed
4 upon the basis of actuarial tables and interest, is equal in
5 value to a certain amount or other benefit;

6 (4) "Actuarial tables", the actuarial tables approved and
7 in use by a board at any given time;

8 (5) "Actuary", the actuary who is a member of the American
9 Academy of Actuaries or who is an enrolled actuary under the
10 Employee Retirement Income Security Act of 1974 and who is
11 employed by a board at any given time;

12 (6) "Annuity", annual payments, made in equal monthly
13 installments, to a retired member from funds provided for in, or
14 authorized by, this chapter;

15 (7) "Average compensation", the average compensation of a
16 member for the thirty-six consecutive months of service prior to
17 retirement when the member's compensation was greatest; or if the
18 member is on workers' compensation leave of absence or a medical
19 leave of absence due to an employee illness, the amount of
20 compensation the member would have received may be used, as
21 reported and verified by the employing department; or if the
22 member had less than thirty-six months of service, the average
23 annual compensation paid to the member during the period up to
24 thirty-six months for which the member received creditable
25 service when the member's compensation was the greatest; or if
26 the member is on military leave, the amount of compensation the
27 member would have received may be used as reported and verified
28 by the employing department or, if such amount is not

determinable, the amount of the employee's average rate of compensation during the twelve-month period immediately preceding such period of leave, or if shorter, the period of employment immediately preceding such period of leave. The board of each system may promulgate rules for purposes of calculating average compensation and other retirement provisions to accommodate for any state payroll system in which compensation is received on a monthly, semimonthly, biweekly, or other basis;

(8) "Beneficiary", any person entitled to or nominated by a member or retiree who may be legally entitled to receive benefits pursuant to this chapter;

(9) "Biennial assembly", the completion of no less than two years of creditable service or creditable prior service by a member of the general assembly;

(10) "Board of trustees", "board", or "trustees", a board of trustees as established for the applicable system pursuant to this chapter;

(11) "Chapter", sections 104.010 to 104.800;

(12) "Compensation":

(a) All salary and wages payable out of any state, federal, trust, or other funds to an employee for personal services performed for a department; but including only amounts for which contributions have been made in accordance with section 104.436, or section 104.070, whichever is applicable, and excluding any nonrecurring single sum payments or amounts paid after the member's termination of employment unless such amounts paid after such termination are a final installment of salary or wages at the same rate as in effect immediately prior to termination of

1 employment in accordance with a state payroll system adopted on
2 or after January 1, 2000, or any other one-time payments made as
3 a result of such payroll system;

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

9 (c) Effective December 31, 1995, compensation in excess of
10 the limitations set forth in Internal Revenue Code Section
11 401(a)(17) shall be disregarded. The limitation on compensation
12 for eligible employees shall not be less than the amount which
13 was allowed to be taken into account under the system as in
14 effect on July 1, 1993. For this purpose, an "eligible employee"
15 is an individual who was a member of the system before the first
16 plan year beginning after December 31, 1995;

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

22 (14) "Creditable prior service", the service of an employee
23 which was either rendered prior to the establishment of a system,
24 or prior to the date the employee last became a member of a
25 system, and which is recognized in determining the member's
26 eligibility and for the amount of the member's benefits under a
27 system;

28 (15) "Creditable service", the sum of membership service

1 and creditable prior service, to the extent such service is
2 standing to a member's credit as provided in this chapter; except
3 that in no case shall more than one day of creditable service or
4 creditable prior service be credited any member for any one
5 calendar day of eligible service credit as provided by law;

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

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

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

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

23 (20) "Employee":

24 (a) Any elective or appointive officer or person employed
25 by the state who is employed, promoted or transferred by a
26 department into a new or existing position and earns a salary or
27 wage in a position normally requiring the performance by the
28 person of duties during not less than one thousand forty hours

1 per year, including each member of the general assembly but not
2 including any patient or inmate of any state, charitable, penal
3 or correctional institution. Beginning September 1, 2001, the
4 term "year" as used in this subdivision shall mean the
5 twelve-month period beginning on the first day of employment.
6 However, persons who are members of the public school retirement
7 system and who are employed by a state agency other than an
8 institution of higher learning shall be deemed employees for
9 purposes of participating in all insurance programs administered
10 by a board established pursuant to section 104.450. This
11 definition shall not exclude any employee as defined in this
12 subdivision who is covered only under the federal Old Age and
13 Survivors' Insurance Act, as amended. As used in this chapter,
14 the term "employee" shall include:

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

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

23 (b) Any person who is not a retiree and has performed
24 services in the employ of the general assembly or either house
25 thereof, or any employee of any member of the general assembly
26 while acting in the person's official capacity as a member, and
27 whose position does not normally require the person to perform
28 duties during at least one thousand forty hours per year, with a

1 month of service being any monthly pay period in which the
2 employee was paid for full-time employment for that monthly
3 period; except that, persons described in this paragraph shall
4 not include any such persons who are employed on or after August
5 28, 2006, and who have not previously been employed in such
6 positions;

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

9 (d) [As used in this chapter, the hours governing the
10 definition of employee shall be applied only from August 13,
11 1988, forward;

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

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

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

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

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

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

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

1 (27) "Member", as used in sections 104.010 to 104.272 or
2 104.601 to 104.800 shall mean a member of the highways and
3 transportation employees' and highway patrol retirement system
4 without regard to whether or not the member has been retired.

5 "Member", as used in this section and sections 104.312 to
6 104.800, shall mean a member of the Missouri state employees'
7 retirement system without regard to whether or not the member has
8 been retired;

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

12 (29) "Military service", all active service performed in
13 the United States Army, Air Force, Navy, Marine Corps, Coast
14 Guard, and members of the United States Public Health Service or
15 any women's auxiliary thereof; and service in the Army national
16 guard and Air national guard when engaged in active duty for
17 training, inactive duty training or full-time national guard
18 duty, and service by any other category of persons designated by
19 the President in time of war or emergency;

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

22 (31) "Normal retirement age", an employee's attainment of
23 sixty-five years of age and the completion of four years of
24 creditable service or the attainment of age sixty-five years of
25 age and the completion of five years of creditable service by a
26 member who has terminated employment and is entitled to a
27 deferred normal annuity or the member's attainment of age sixty
28 and the completion of fifteen years of creditable service, except

1 that normal retirement age for uniformed members of the highway
2 patrol shall be fifty-five years of age and the completion of
3 four years of creditable service and uniformed employees of the
4 water patrol shall be fifty-five years of age and the completion
5 of four years of creditable service or the attainment of age
6 fifty-five and the completion of five years of creditable service
7 by a member of the water patrol who has terminated employment and
8 is entitled to a deferred normal annuity and members of the
9 general assembly shall be fifty-five years of age and the
10 completion of three full biennial assemblies. Notwithstanding
11 any other provision of law to the contrary, a member of the
12 highways and transportation employees' and highway patrol
13 retirement system or a member of the Missouri state employees'
14 retirement system shall be entitled to retire with a normal
15 annuity and shall be entitled to elect any of the survivor
16 benefit options and shall also be entitled to any other
17 provisions of this chapter that relate to retirement with a
18 normal annuity if the sum of the member's age and creditable
19 service equals eighty years or more and if the member is at least
20 forty-eight years of age;

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

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

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

1 annuity;

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

4 (36) "System" or "retirement system", the [highways and
5 transportation employees' and highway patrol retirement system]
6 Missouri department of transportation and highway patrol
7 employees' retirement system, as created by sections 104.010 to
8 104.270, or sections 104.601 to 104.800, or the Missouri state
9 employees' retirement system as created by sections 104.320 to
10 104.800;

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

15 (38) "Uniformed members of the water patrol", employees of
16 the Missouri state water patrol of the department of public
17 safety who are classified as water patrol officers who have taken
18 the oath of office prescribed by the provisions of chapter 306,
19 RSMo, and who have those peace officer powers given by the
20 provisions of chapter 306, RSMo;

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

24 2. Benefits paid pursuant to the provisions of this chapter
25 shall not exceed the limitations of Internal Revenue Code Section
26 415, the provisions of which are hereby incorporated by
27 reference.

28 104.040. 1. Any member shall be entitled to creditable

1 prior service within the meaning of sections 104.010 to [104.270]
2 104.272 for all service in the United States Army, Navy, or other
3 armed services of the United States, or any women's auxiliary
4 thereof in time of active armed warfare, if such member was a
5 state employee immediately prior to his or her entry into the
6 armed services and became an employee of the state within ninety
7 days after termination of such service by an honorable discharge
8 or release to inactive status; the requirement of section 104.010
9 of duties during not less than one thousand hours for status as
10 an "employee" shall not apply to persons who apply for creditable
11 prior service pursuant to the provisions of this section.

12 2. Any member of the system who served as an employee prior
13 to the original effective date of sections 104.010 to [104.270]
14 104.272, but was not an employee on that date, shall be entitled
15 to creditable prior service that such member would have been
16 entitled to had such member become a member of the retirement
17 system on the date of its inception if such member has, or
18 hereafter attains, one year of continuous membership service.

19 3. Any employee who completes one continuous year of
20 creditable service in the system shall receive credit for service
21 with a state department, if such service has not otherwise been
22 credited.

23 4. Any member who had served in the armed forces of the
24 United States prior to becoming a member, or who is otherwise
25 ineligible pursuant to subsection 1 of this section or other
26 provisions of this chapter, and who became a member after his or
27 her discharge under honorable conditions may elect, prior to
28 retirement, to purchase all of his or her creditable prior

1 service equivalent to such service in the armed forces, but not
2 to exceed four years, if the member is not receiving and is not
3 eligible to receive retirement credits or benefits from any other
4 public or private retirement plan for the service to be
5 purchased, and an affidavit so stating shall be filed by the
6 member with the retirement system. However, if the member is
7 eligible to receive retirement credits in a United States
8 military service retirement system, the member shall be permitted
9 to purchase creditable prior service equivalent to his or her
10 service in the armed services, but not to exceed four years, any
11 other provision of law to the contrary notwithstanding. The
12 purchase shall be effected by the member's paying to the
13 retirement system an amount equal to what would have been
14 contributed by the state in his or her behalf had the member been
15 a member for the period for which the member is electing to
16 purchase credit and had his or her compensation during such
17 period of membership been the same as the annual salary rate at
18 which the member was initially employed as a member, with the
19 calculations based on the contribution rate in effect on the date
20 of his or her employment with simple interest calculated from
21 date of employment from which the member could first receive
22 creditable service to the date of election pursuant to this
23 subsection. The payment shall be made over a period of not
24 longer than two years, measured from the date of election, and
25 with simple interest on the unpaid balance. Payments made for
26 such creditable prior service pursuant to this subsection shall
27 be treated by the retirement system as would contributions made
28 by the state and shall not be subject to any prohibition on

1 member contributions or refund provisions in effect at the time
2 of enactment of this subsection.

3 5. Any uniformed member of the highway patrol who served as
4 a certified police officer prior to becoming a member may elect,
5 prior to retirement, to purchase all of his or her creditable
6 prior service equivalent to such service in the police force, but
7 not to exceed four years, if he or she is not receiving and is
8 not eligible to receive credits or benefits from any other public
9 or private retirement plan for the service to be purchased, and
10 an affidavit so stating shall be filed by the member with the
11 retirement system. The purchase shall be effected by the
12 member's paying to the retirement system an amount equal to what
13 would have been contributed by the state in his or her behalf had
14 he or she been a member of the system for the period for which
15 the member is electing to purchase credit and had his
16 compensation during such period been the same as the annual
17 salary rate at which the member was initially employed as a
18 member, with the calculations based on the contribution rate in
19 effect on the date of his or her employment with simple interest
20 calculated from the date of employment from which the member
21 could first receive creditable service to the date of election
22 pursuant to the provisions of this section. The payment shall be
23 made over a period of not longer than two years, measured from
24 the date of election, and with simple interest on the unpaid
25 balance. Payments made for such creditable prior service
26 pursuant to the provisions of this section shall be treated by
27 the retirement system as would contributions made by the state
28 and shall not be subject to any prohibition on member

1 contributions or refund provisions in effect at the time of
2 enactment of this section.

3 6. Any [uniformed] member of the [highway patrol] system
4 under section 104.030 or section 104.170 who is an active
5 employee and who served as a nonfederal full-time public employee
6 in this state prior to becoming a member may elect, prior to
7 retirement, to purchase all of his or her creditable prior
8 service equivalent to such service, but not to exceed four years,
9 if he or she is not receiving and is not eligible to receive
10 credits or benefits from any other public plan for the service to
11 be purchased[, and an affidavit so stating shall be filed by the
12 member with the retirement system]. The purchase shall be
13 effected by the member's paying to the retirement system an
14 amount equal to what would have been contributed by the state in
15 his or her behalf had he or she been a member of the system for
16 the period for which the member is electing to purchase credit
17 and had his compensation during such period been the same as the
18 annual salary rate at which the member was initially employed as
19 a member, with the calculations based on the contribution rate in
20 effect on the date of his or her employment with simple interest
21 calculated from the date of employment from which the member
22 could first receive creditable service to the date of election
23 pursuant to the provisions of this section. The payment shall be
24 made over a period of not longer than two years, measured from
25 the date of election, and with simple interest on the unpaid
26 balance. Payments made for such creditable prior service
27 pursuant to the provisions of this section shall be treated by
28 the retirement system as would contributions made by the state

1 and shall not be subject to any prohibition on member
2 contributions or refund provisions in effect at the time of
3 enactment of this section. All purchase payments under this
4 subsection shall be completed prior to retirement or prior to
5 termination of employment. If a member who purchased creditable
6 service under this subsection dies prior to retirement, the
7 surviving spouse may, upon written request, receive a refund of
8 the amount contributed for such purchase of such creditable
9 service, provided the surviving spouse is not entitled to
10 survivorship benefits payable under section 104.140 or who are
11 entitled to a deferred annuity under section 104.035 are not
12 eligible to purchase service under this subsection.

13 104.335. 1. Any member whose employment terminated prior
14 to September 1, 1972, and (a) who had served at least three full
15 biennial assemblies as a member of the general assembly, or (b)
16 who was other than a member of the general assembly and who had
17 fifteen or more years of vesting service shall be entitled to a
18 deferred normal annuity based on the member's creditable service,
19 average compensation and the law in effect at the time the
20 member's employment was terminated.

21 2. (1) Any member whose employment terminated on or after
22 September 1, 1972, and prior to July 1, 1981, and (a) who had
23 served at least three full biennial assemblies as a member of the
24 general assembly, or (b) who was other than a member of the
25 general assembly and who had fifteen or more years of vesting
26 service or who had ten or more years of vesting service and was
27 at least thirty-five years of age at the date of termination of
28 employment shall be entitled to a deferred normal annuity based

1 on the member's creditable service, average compensation and the
2 law in effect at the time the member's employment was terminated.

3 (2) Any member whose employment terminated on or after July
4 1, 1981, and (a) who had served at least three full biennial
5 assemblies as a member of the general assembly, or (b) who was
6 other than a member of the general assembly and who had ten or
7 more years of vesting service at the date of termination of
8 employment shall be entitled to a deferred normal annuity based
9 on the member's creditable service, average compensation and the
10 law in effect at the time the member's employment was terminated.

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

18 (4) Any member whose employment terminated on or after
19 September 28, 1985, and who (a) had served less than three full
20 biennial assemblies as a member of the general assembly, and (b)
21 has less than ten years of vesting service as an employee other
22 than a member of the general assembly shall be entitled to two
23 years of vesting service for each full biennial assembly in which
24 the member served plus an additional amount of vesting service
25 for each partial biennial assembly served, which amount shall be
26 equal to the pro rata portion of the biennial assembly so served.
27 The total amount of vesting service provided for in this
28 subdivision shall be used to calculate the deferred normal

1 annuity or deferred partial annuity to which such member is
2 entitled based on the member's creditable service, which includes
3 all service designated as vesting service under this subdivision,
4 the member's average compensation, and the law in effect at the
5 time the member's employment was terminated.

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

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

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

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

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

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

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

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

16 6. [(1) A vested member, an administrative law judge or
17 legal advisor as defined in section 287.812, RSMo, or a judge as
18 defined in section 476.515, RSMo, who has terminated all
19 employment with the state of Missouri for a period of six months
20 or longer, may make a one-time election for the system to pay the
21 present value of a deferred annuity or a benefit as defined in
22 section 287.812, RSMo, or section 476.515, RSMo, if the amount of
23 such terminated member's or person's creditable service is less
24 than ten years, and if such terminated member or person is not
25 within five years of eligibility for receiving an annuity or
26 benefit. Any such member, administrative law judge, legal
27 advisor or judge who terminates employment on or after August 28,
28 1997, shall be eligible for the one-time election provided for in

1 this subsection only if the present value of the deferred annuity
2 does not exceed ten thousand dollars. The present value shall be
3 actuarially determined by the system. Except as provided in
4 subdivision (2) of this subsection, any payment so made shall be
5 a complete discharge of the existing liability of the system with
6 respect to such terminated member or person.

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

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

20 7.] Any individual, covered by a retirement plan identified
21 in this chapter, chapter 287 or chapter 476, RSMo, who terminated
22 employment prior to August 28, 1993, shall, upon application to
23 the board of trustees of the Missouri state employees' retirement
24 system, be made, constituted and appointed and employed by the
25 board as a special consultant on the problems of retirement,
26 aging and other state matters for the remainder of the person's
27 life. Upon request of the board or the court from which the
28 person retired, the consultant shall give opinions or be

1 available to give opinions in writing or orally in response to
2 such requests. As compensation for such services, the consultant
3 shall be eligible to purchase or transfer, prior to retirement,
4 creditable service as set forth in section 105.691, RSMo.

5 104.340. 1. Any member, on the first day of the first
6 month following the original effective date of sections 104.310
7 to 104.540, September 1, 1957, shall be entitled to creditable
8 prior service for the purpose of sections 104.310 to 104.620 for
9 all active military service performed in the United States Army,
10 Air Force, Navy, Marine Corps, Coast Guard and members of the
11 United States Public Health Service when in the active military
12 service, or any women's auxiliary thereof in time of active armed
13 warfare, if such member was a state employee immediately prior to
14 the member's entry into the armed services and became an employee
15 of the state within ninety days after termination of such service
16 under honorable conditions or release to inactive status in a
17 reserve component of the armed forces. This includes:

18 (1) Members of the reserve component of the armed forces
19 (National Guard of the United States, United States Army Reserve,
20 Air National Guard of the United States, United States Air Force
21 Reserve, United States Naval Reserve, United States Marine Corps
22 Reserve, United States Coast Guard);

23 (2) Reserve components existing prior and subsequent to the
24 original effective date of sections 104.310 to 104.540; and

25 (3) The reserve of the United States Public Health Service,
26 while in the active military service of the United States.

27 2. Any former full-time employee of a state board, whether
28 unassigned or assigned to the governor, who becomes a member

1 within one year of termination of employment with the board,
2 shall be entitled to creditable prior service not to exceed eight
3 years for service rendered, provided the member had not become
4 vested in a city or county retirement system and has or attains
5 one or more years of continuous service.

6 3. Notwithstanding any other provision of law to the
7 contrary, any employee of a political subdivision who becomes a
8 state employee, or gains eligibility to become a member, by an
9 act, or acts, of the general assembly after August 13, 1986,
10 making such employment state employment shall be entitled only to
11 prior service credit for such employment with a political
12 subdivision. Such prior service credit, which cannot exceed
13 eight years, shall be used in the determination of eligibility
14 for benefits pursuant to the provisions of sections 104.310 to
15 104.612 but not in determining the amount of benefits, if the
16 person makes application to the board for such prior service
17 credit within ninety days of becoming a member of the Missouri
18 state employees' retirement system, and establishes such service
19 to the satisfaction of the board; except that such prior service
20 credit shall not be used for the purposes of computing the
21 minimum benefit provided by section 104.615.

22 4. Any member who had performed active service in the
23 United States Army, Air Force, Navy, Marine Corps, Army or Air
24 National Guard, Coast Guard, or any reserve component thereof
25 prior to last becoming a member, or who is otherwise ineligible
26 under subsection 1 of this section or other provisions of this
27 chapter, and who became a member after the person's discharge
28 under honorable conditions may elect, prior to retirement, to

1 purchase all of the member's creditable prior service equivalent
2 to such service in the armed forces, but not to exceed four
3 years, provided the person is not receiving and is not eligible
4 to receive retirement credits or benefits from any other public
5 or private retirement plan for the service to be purchased.
6 However, if the member is eligible to receive retirement credits
7 in a United States military service retirement system, the member
8 shall be permitted to purchase creditable prior service
9 equivalent to such service in the armed forces, but not to exceed
10 four years, any other provision of law to the contrary
11 notwithstanding. The purchase shall be effected by the member's
12 submission of appropriate documentation verifying the member's
13 dates of active service and by paying to the retirement system an
14 amount equal to what would have been contributed by the state in
15 the member's behalf had the member been a member for the period
16 for which the member is electing to purchase credit and had the
17 member's compensation during such period of membership been the
18 same as the annual salary rate at which the member was initially
19 employed by a department, with the calculations based on the
20 contribution rate in effect on the date of employment with simple
21 interest calculated from the date of employment from which the
22 member could first receive creditable service to the date of
23 election under this subsection. The payment shall be made over a
24 period of not longer than two years, measured from the date of
25 election, and with simple interest on the unpaid balance.
26 Payments made for such creditable prior service under this
27 subsection shall be treated by the retirement system as would
28 contributions made by the state and shall not be subject to any

1 prohibition on member contributions or refund provisions in
2 effect at the time of enactment of this subsection.

3 5. Any member who terminated employment prior to August 13,
4 1986, who had served in the armed forces of the United States
5 prior to becoming a member, or who is otherwise ineligible
6 pursuant to subsection 1 of this section or other provisions of
7 this chapter, and who became a member after the person's
8 discharge under honorable conditions shall, upon application to
9 the board of trustees of the Missouri state employees' retirement
10 system, be made, constituted and appointed and employed by the
11 board as a special consultant on the problems of retirement,
12 aging and other state matters for the remainder of the person's
13 life. Upon request of the board of the system or the court from
14 which the person retired, the consultant shall give opinions or
15 be available to give opinions in writing or orally in response to
16 such requests. As compensation for such services, the consultant
17 shall be eligible to purchase, prior to retirement, creditable
18 prior service as provided in this subsection.

19 6. Any member who is an employee on or after June 30, 1988,
20 shall be entitled to creditable prior service for all full-time
21 service rendered at Lincoln University prior to June 30, 1988, if
22 such service is established to the satisfaction of the board,
23 provided such member elects in writing to forfeit all rights
24 accrued under the Lincoln University retirement plan for such
25 service, and provided such service is not now credited the member
26 under the Missouri state employees' retirement system.

27 7. Any person who is an employee on or after August 28,
28 1989, and who has been denied credit for any service because the

1 person was a member of some other retirement system or benefit
2 fund to which the state was a contributor shall receive
3 creditable prior service for all the service rendered which would
4 have otherwise been earned during such period of service by the
5 person except for the denial of credit; however, in no event
6 shall any person receive service credit for the same period of
7 service under more than one retirement system.

8 8. Upon application to the board, any member or former
9 member not yet retired previously employed by the Missouri
10 institute of psychiatry prior to July 1, 1974, and who by virtue
11 of such employment was a member of a retirement system or plan
12 other than the Missouri state employees' retirement system but
13 did not become vested in that system or plan shall receive
14 creditable prior service for such service, provided that such
15 service is not used for the calculation of benefits under any
16 other retirement system or plan, excluding Social Security, and
17 that such service is established to the satisfaction of the
18 board.

19 9. Any retired member previously employed by the Missouri
20 institute of psychiatry prior to July 1, 1974, and who by virtue
21 of such employment was a member of a retirement system or plan
22 other than the Missouri state employees' retirement system but
23 did not become vested in that system or plan may make application
24 to be made, constituted, appointed, and employed by the board as
25 a special consultant on the problems of retirement, aging and
26 other state matters. As compensation the special consultant
27 shall receive beginning the month next following such appointment
28 an amount equal to the retirement benefit the member would have

1 been receiving had such service been included in the original
2 retirement benefit calculation, provided that such service is not
3 used for the calculation of benefits under any other retirement
4 system or plan, excluding Social Security, and that such service
5 is established to the satisfaction of the board.

6 10. Notwithstanding any other provisions of law to the
7 contrary, if a former employee terminated employment before
8 January 1, 1988, and such former employee had also served as a
9 board member pursuant to the provisions of section 329.190, RSMo,
10 or section 335.021, RSMo, such former employee shall upon
11 application to the board of trustees of the Missouri state
12 employees' retirement system be made a special consultant on the
13 problems of retirement and shall upon request of the board of
14 trustees give opinions in writing or orally in response to such
15 request. As compensation for such services, the former employee
16 shall receive creditable service for all time the former employee
17 was employed by the state and the time the former employee served
18 on the board pursuant to the provisions of section 329.190, RSMo,
19 or section 335.021, RSMo, and service rendered as an employee of
20 a city or county health department organized under the provisions
21 of chapter 192 or 205, RSMo, provided that such service is not
22 used for vesting in any other public employee retirement system.

23 104.342. 1. Any person hired by the state on or after
24 August 13, 1986, in any of the positions described in this
25 subsection shall be a member of the system from the date on which
26 such employment begins. This subsection shall apply to any
27 person duly certified under the law governing the certification
28 of teachers who is employed full time:

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

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

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

10 (4) In either a teaching or supervisory teaching capacity
11 by the department of mental health, in which his or her duties
12 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
15 subsection 1 of this section immediately prior to and on August
16 13, 1986, may elect, in writing, to:

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

1 equal to the amount paid the public school retirement system on
2 behalf of each member so electing by the member's employer; or

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

9 3. Any person who is employed on a full-time basis by
10 Truman State University, Northwest Missouri State University,
11 Central Missouri State University, Southeast Missouri State
12 University, [Southwest] Missouri State University, Harris-Stowe
13 State [College] University or Missouri Southern State [College]
14 University and Missouri Western State [College] University shall
15 be a member of the system; except that any person who is duly
16 certified under the laws governing the certification of teachers
17 and who is a full-time employee of such institution or
18 institutions on June 14, 1989, and is contributing because of
19 such employment to a retirement system established under sections
20 169.010 to 169.140, RSMo, or sections 169.410 to 169.540, RSMo,
21 may make an election to continue in that retirement system if
22 such election is made on or before December 31, 1989. This
23 election shall not apply to any such person who commenced
24 receiving retirement benefits prior to January 1, 1990, from any
25 state retirement system because of such service.

26 4. Effective January 1, 1990, only after an affirmative
27 referendum in accordance with section 105.353, RSMo, any person
28 who is employed on a full-time basis by the department of

1 elementary and secondary education shall be a member of the
2 system; except that any person duly certified under the law
3 governing the certification of teachers who is a full-time
4 employee at any time during the period extending from June 14,
5 1989, through December 31, 1989, and is contributing because of
6 such employment to the retirement system established under
7 sections 169.010 to 169.140, RSMo, may elect to continue in that
8 retirement system if such election is made on or before December
9 31, 1989. This election shall not apply to any such person who
10 commenced receiving retirement benefits prior to January 1, 1990,
11 from any state retirement system because of such service.

12 5. On June 14, 1989, all newly employed persons in the
13 positions described in subsection 3 of this section shall become
14 members of the Missouri state employees' retirement system.
15 Effective January 1, 1990, and only after an affirmative
16 referendum provided for in subsection 4 of this section, all
17 newly employed persons in the positions described in subsection 4
18 of this section shall become members of the Missouri state
19 employees' retirement system.

20 6. Any employee actively employed on June 14, 1989, who,
21 because of employment in a position described in subsection 1, 3
22 or 4 of this section, has creditable service in this system for
23 such employment which at the time the service was rendered was
24 not covered by the federal Social Security Act, shall remain in
25 this system and be entitled to the benefits provided under
26 subdivision (1) of subsection 7 of this section; except that any
27 such employee who has creditable service in this system because
28 of employment in a position described in subsection 4 of this

1 section which is not covered by the federal Social Security Act
2 on January 1, 1990, shall not be entitled to the benefits
3 provided under subdivision (1) of subsection 7 of this section
4 for such creditable service.

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

10 (1) Those persons described in subsections 3 and 4 of this
11 section who elect or have elected by written request filed with
12 the board to be members of this system, shall be entitled to
13 creditable prior service for service rendered in any of the
14 positions described in subsections 1, 3 and 4 of this section.
15 Any person who so elects shall be eligible, upon written request
16 filed with the board on or before March 31, 1990, with the
17 retirement system established under sections 169.010 to 169.140,
18 RSMo, or sections 169.410 to 169.540, RSMo, to receive a refund
19 of the member's accumulated contributions for the creditable
20 service in any of the positions described in subsections 1, 3 and
21 4 of this section, plus interest at an annual rate of six percent
22 computed on the refundable balance, if any, in the member's
23 account in that retirement system as of June 30, 1989. Such
24 refunds shall be made prior to June 1, 1990. If any creditable
25 prior service transferred under subsection 1, 3 or 4 of this
26 section, or subsection 3 of section 104.372, includes periods of
27 service not covered by the federal Social Security Act, as
28 provided in sections 105.300 to 105.445, RSMo, then, in

1 calculating the benefit amount payable to such member, the normal
2 annuity shall be an amount equal to two and one-tenth percent of
3 the average compensation of the member multiplied by the number
4 of years of such creditable service for the positions described
5 in subsections 1, 3 and 4 of this section not covered by the
6 federal Social Security Act in addition to an amount payable
7 under section 104.374 for all service covered by the federal
8 Social Security Act. The normal annuity as described in this
9 subdivision shall be adjusted for early retirement, if
10 applicable;

11 (2) Any person described in subsections 3 and 4 of this
12 section, who elects to remain in one of the retirement systems
13 established under sections 169.010 to 169.140, RSMo, or sections
14 169.410 to 169.540, RSMo, shall, notwithstanding any provision of
15 chapter 169, RSMo, to the contrary, be a noncontributing member
16 of such system and shall receive a refund of the member's
17 accumulated contributions for the creditable service in any of
18 the positions described in subsection 1, 3 or 4 of this section,
19 plus interest at an annual rate of six percent computed on the
20 refundable balance, if any, in the member's account in that
21 retirement system as of June 30, 1989. Such refunds shall be
22 made prior to June 1, 1990. At the time of retirement under the
23 provisions of sections 169.010 to 169.140, RSMo, or sections
24 169.410 to 169.540, RSMo, such person shall receive a retirement
25 benefit computed under the then existing law of that retirement
26 system; except that, for any person employed in a position
27 described in subsection 4 of this section, the benefit shall be
28 the amount computed as though the position were not covered by

1 the federal Social Security Act, reduced by the amount of any
2 federal Social Security benefit the person may receive which is
3 attributable to service rendered in the positions described in
4 subsection 4 of this section after December 31, 1989.

5 8. Upon payment of the refunds provided in subdivision (1)
6 of subsection 7 of this section, each refunding retirement system
7 shall pay to the state employees' retirement system, by December
8 31, 1990, an amount actuarially determined to equal the liability
9 transferred from such retirement systems. At least ninety days
10 before each regular session of the general assembly the board of
11 trustees of the affected public school retirement system shall
12 certify to the division of budget an actuarially determined
13 estimate of the amount which will be necessary during the next
14 appropriation period to pay all liabilities, including costs of
15 administration, which shall exist or accrue under subsections 1
16 through 7 of this section during such period. The estimate shall
17 be computed as a level percentage of payroll compensation to
18 cover the normal cost and to amortize the accrued liability over
19 a period not to exceed forty years. The commissioner of
20 administration shall request appropriation of the amount
21 calculated under the provisions of this subsection. The
22 commissioner of administration monthly shall requisition and
23 certify the payment to the executive secretary of the appropriate
24 school retirement system.

25 9. Notwithstanding any provisions of chapter 169, RSMo, to
26 the contrary, any member who becomes a member under the
27 provisions of subsection 2, 5, or 7 of this section and who has
28 creditable service with a public school retirement system under

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

9 10. Effective July 1, 1988, the Lincoln University board of
10 curators shall terminate the Lincoln University retirement,
11 disability and death benefit plan and shall purchase through
12 competitive bids annuities adequate to cover the liability for
13 all benefits presently being paid from such plan to former
14 employees or their surviving beneficiaries upon the death of the
15 employee as provided by such plan at the time of the commencement
16 of benefits to such former employees or beneficiaries. Lincoln
17 University shall pay to the Missouri state employees' retirement
18 system on or before July 1, 1988, an amount equal to all funds
19 and securities thereon contained in the Lincoln University
20 retirement, disability and death benefit plan less the amount
21 needed to purchase annuities for retiree and survivor benefits.

22 11. Effective July 1, 1988, the Lincoln University board of
23 curators shall certify to the board of trustees of the Missouri
24 state employees' retirement system all persons eligible to
25 receive but not yet receiving benefits under the Lincoln
26 University retirement, disability and death benefit plan, for
27 service prior to June 30, 1988, together with the amounts payable
28 and supporting documentation as to the methods, plan provisions

1 and data used to calculate such benefits, to the satisfaction of
2 the board of trustees of the Missouri state employees' retirement
3 system, and the Missouri state employees' retirement system shall
4 assume responsibility for payment of such benefits in the future.

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

14 13. (1) Any person who is employed by Harris-Stowe State
15 College as a teacher or administrator on August 28, 1995, who was
16 employed full time by Harris-Stowe College prior to September 1,
17 1978, who became a member of the Missouri state employees'
18 retirement system on or after September 1, 1978, and who has been
19 continuously employed by the college, may purchase creditable
20 prior service for any service rendered to Harris-Stowe College
21 prior to September 1, 1978, which is not otherwise credited under
22 the Missouri state employees' retirement system, not to exceed
23 twelve years;

24 (2) Any person eligible to purchase creditable prior
25 service under the provisions of subdivision (1) of this
26 subsection may make written application to the board of trustees
27 of the Missouri state employees' retirement system prior to
28 retirement, but not later than April 1, 1996. The purchase shall

1 be effected by the member and the public school retirement system
2 of which the member was previously a member paying to the
3 Missouri state employees' retirement system the following
4 amounts:

5 (a) The amount contributed by the employee to the St. Louis
6 public school retirement system during the years of prior service
7 with Harris-Stowe College for which the employee seeks to
8 purchase creditable prior service in the Missouri state
9 employees' retirement system, including interest which may have
10 been credited to the member's individual account with the system,
11 or which would have been credited to the account had it remained
12 with the St. Louis public school retirement system; and

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

19 (c) If the member had received a refund of contributions
20 related to service covered by the St. Louis public school
21 retirement system, the amount stipulated in paragraph (a) of this
22 subdivision shall be paid to the Missouri state employees'
23 retirement system by the member, otherwise, such amount shall be
24 paid to the Missouri state employees' retirement system by the
25 St. Louis public school retirement system;

26 (3) Any amount payable to the Missouri state employees'
27 retirement system by the member may be paid in a lump sum or in
28 monthly installments. If paid in monthly installments, the

1 period over which payments are being made may not extend beyond
2 the earlier of the member's retirement date or April 1, 1997, and
3 shall include interest at a rate established by the board of
4 trustees of the Missouri state employees' retirement system;

5 (4) Any amounts payable to the Missouri state employees'
6 retirement system by the St. Louis public schools retirement
7 system shall be paid in a lump sum and shall not be paid later
8 than the earlier of the member's retirement date or April 1,
9 1997, and shall include interest at a rate established by the
10 board of trustees of the Missouri state employees' retirement
11 system;

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

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

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

1 104.344. Notwithstanding any other law to the contrary, any
2 person who is actively employed by the state of Missouri in a
3 position covered by a retirement plan administered by the
4 Missouri state employees' retirement system and who had
5 nonfederal full-time public employment in the state of Missouri
6 [or who had provided full-time services for compensation to the
7 state of Missouri under a contract], and who by virtue of such
8 employment was a member of a retirement system or other
9 employer-sponsored retirement plan other than the Missouri state
10 employees' retirement system but is not vested in such other
11 retirement system or plan, or was not a member of any retirement
12 system or plan, may elect, prior to retirement, to purchase all
13 of the member's creditable prior service but not to exceed four
14 years for such service in any plan administered by the Missouri
15 state employees' retirement system in which the person is
16 receiving service credit for active employment or is eligible for
17 a deferred annuity. The purchase shall be effected by the person
18 paying to the Missouri state employees' retirement system an
19 amount equal to what would have been contributed by the state in
20 his or her behalf had the person been a member for the period for
21 which he or she is electing to purchase credit and had the
22 person's compensation during such period been the same as the
23 annual salary rate at which the person was initially employed by
24 a department in a position covered by a [plan administered by the
25 Missouri state employees' retirement] system, with the
26 calculations based on the contribution rate in effect on the date
27 of his or her employment under the provisions of the Missouri
28 state employees' retirement system with simple interest

1 calculated from the date of employment from which the person
2 could first receive creditable service from the Missouri state
3 employees' retirement system to the date of election to purchase
4 such service. The payment shall be made over a period of not
5 longer than two years, with simple interest on the unpaid
6 balance. In no event shall any person receive credit or benefits
7 under any other retirement plan as defined pursuant to section
8 105.691, RSMo, for creditable service purchased pursuant to the
9 provisions of this section. The contribution rate for any judge
10 who elects to purchase service for a period prior to July 1,
11 1998, shall be equal to a contribution rate which would be used
12 if the judicial system were funded on an actuarial basis prior to
13 that date.

14 104.352. 1. [Any employee or former employee described in
15 paragraph (b) of subdivision (18) of section 104.010 is entitled
16 to credit for all prior service and membership service as if he
17 had been a member of the system on the date of its inception. Any
18 such employee shall be considered a member of the system from the
19 date of his or her employment and shall receive credit for each
20 month of service for which he is employed with service being
21 computed as if part-time employment with the general assembly
22 were full-time employment for the period the member was so
23 employed.

24 2.] Each employee described in paragraph (b) of subdivision
25 [(18)] (20) of section 104.010 shall be entitled to the same
26 insurance benefits provided under sections 103.003 to 103.175,
27 RSMo to employees described in paragraph (a) of subdivision
28 [(18)] (20) of section 104.010 to cover the medical expenses of

1 such employees and their spouses and children. Such insurance
2 benefits shall be made available to employees described in
3 paragraph (b) of subdivision [(18)] (20) of section 104.010 upon
4 their initial employment as such employees in the same manner
5 provided for employees described in paragraph (a) of subdivision
6 [(18)] (20) of section 104.010, and shall be continued during any
7 period of time, not to exceed one year, in which such employees
8 are not paid for full-time employment, so long as such employees
9 pay the same amount for such insurance benefits as is required of
10 employees described in paragraph (a) of subdivision [(18)] (20)
11 of section 104.010 who continue receiving such insurance benefits
12 during a leave of absence without pay from their employment with
13 the state. Any employee described in paragraph (b) of
14 subdivision [(18)] (20) of section 104.010 who is reemployed by
15 the general assembly or either house thereof, or by any member of
16 the general assembly while acting in his official capacity as a
17 member, by the thirteenth legislative day of the session of the
18 general assembly immediately following the session of the general
19 assembly in which such employee was last so employed, without
20 having elected to discontinue the insurance benefits described in
21 this subsection, shall be entitled to continue such insurance
22 benefits without having to prove insurability for himself or any
23 of his covered dependents for whom he has paid for such coverage
24 continuously since last employed as an employee described in
25 paragraph (b) of subdivision [(18)] (20) of section 104.010. Any
26 employee described in paragraph (b) of subdivision [(18)] (20) of
27 section 104.010 who is not reemployed by the general assembly or
28 either house thereof, or by any member of the general assembly

1 while acting in his official capacity as a member, by the
2 thirteenth legislative day of the session of the general assembly
3 immediately following the session of the general assembly in
4 which such employee was last so employed, shall be deemed
5 terminated as an employee as of such thirteenth legislative day,
6 and the insurance benefits provided for such employee under this
7 subsection and sections 103.003 to 103.175, RSMo, shall be
8 terminated as provided for employees described in paragraph (a)
9 of subdivision [(18)] (20) of section 104.010 whose employment is
10 terminated. During each month of service in which an employee
11 described in paragraph (b) of subdivision [(18)] (20) of section
12 104.010 is employed, the state shall make any contribution
13 required by sections 103.003 to 103.175, RSMo, for such employee.

14 [3.] 2. Any employee described in paragraph (b) of
15 subdivision [(18)] (20) of section 104.010 who is actively
16 employed on or after September 28, 1992, shall be deemed vested
17 for purposes of determining eligibility for benefits under
18 sections 104.320 to 104.620 after being so employed for at least
19 sixty months.

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

28 104.378. Upon the death of a member who has not requested

1 creditable prior service [pursuant to] under section 104.339,
2 subsections 2, 6, 7, 8, and 9 of section 104.340, subsection 12
3 of section 104.342, subsection 4 of section 104.345, subsection 4
4 of section 104.372, section 104.800, section 178.639, RSMo, or
5 section 211.393, RSMo, the survivor of such member who is or
6 would be eligible to receive benefits pursuant to section 104.420
7 may apply to the board of trustees and shall be made,
8 constituted, appointed and employed by the board as a special
9 consultant on the problems of retirement, aging and other state
10 matters for the remainder of the surviving spouse's life, and
11 upon request of the board shall give opinions, and be available
12 to give opinions in writing, or orally, in response to such
13 requests. As compensation for such services, such survivor may
14 elect to have the member receive such creditable prior service or
15 transfer such service. Upon making such election, all of the
16 [provisions of subsection 4 of section 104.372] applicable law as
17 provided in this section shall apply. Any survivor benefits
18 payable shall be calculated as if such creditable prior service
19 or transferred service had been received by such member on the
20 date of the death of the member.

21 104.380. If a retired member is [elected to any state
22 office or is appointed to any state office or is employed by a
23 department in a position normally requiring the performance by
24 the person of duties during not less than one thousand hours per
25 year,] employed as an employee by a department, the member shall
26 not receive an annuity for any month or part of a month for which
27 the member serves as an [officer or] employee, but the member
28 shall be considered to be a new employee with no previous

1 creditable service and must accrue creditable service in order to
2 receive any additional annuity. Any retired member who again
3 becomes an employee and who accrues additional creditable service
4 and later retires shall receive an additional amount of monthly
5 annuity calculated to include only the creditable service and the
6 average compensation earned by the member since such employment
7 or creditable service earned as a member of the general assembly.
8 Years of membership service and twelfths of a year are to be used
9 in calculating any additional annuity except for creditable
10 service earned as a member of the general assembly, and such
11 additional annuity shall be based on the type of service accrued.
12 In either event, the original annuity and the additional annuity,
13 if any, shall be paid commencing with the end of the first month
14 after the month during which the member's term of office has been
15 completed, or the member's employment terminated. [If a retired
16 member is employed by a department in a position that does not
17 normally require the person to perform duties during at least one
18 thousand hours per year, the member shall not be considered an
19 employee as defined pursuant to section 104.010.] A retired
20 member who becomes reemployed as an employee on or after August
21 28, 2001, in a position covered by the highways and
22 transportation employees' and highway patrol retirement system
23 shall not be eligible to receive retirement benefits or
24 additional creditable service from the state employees'
25 retirement system.

26 104.395. 1. In lieu of the normal annuity otherwise
27 payable to a member pursuant to section 104.335, 104.370,
28 104.371, 104.374 or 104.400, and prior to the last business day

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

11 Option 1. An actuarial reduction approved by the board of
12 the member's annuity in reduced monthly payments for life during
13 retirement with the provision that upon the member's death the
14 reduced annuity at the date of the member's death shall be
15 continued throughout the life of, and be paid to, the member's
16 spouse to whom the member was married at the date of retirement
17 and who was nominated by the member to receive such payments in
18 the member's application for retirement or as otherwise provided
19 pursuant to subsection 5 of this section. Such annuity shall be
20 reduced in the same manner as an annuity under option 2 as in
21 effect immediately prior to August 28, 1997. The surviving
22 spouse shall designate a beneficiary to receive any final monthly
23 payment due after the death of the surviving spouse; or

24 Option 2. The member's normal annuity in regular monthly
25 payments for life during the member's retirement with the
26 provision that upon the member's death a survivor's benefit equal
27 to one-half the member's annuity at the date of the member's
28 death shall be paid to the member's spouse to whom the member was

1 married at the date of retirement and who was nominated by the
2 member to receive such payments in the member's application for
3 retirement or as otherwise provided pursuant to subsection 5 of
4 this section, in regular monthly payments for life. The
5 surviving spouse shall designate a beneficiary to receive any
6 final monthly payment due after the death of the surviving
7 spouse; or

8 Option 3. An actuarial reduction approved by the board of
9 the member's normal annuity in reduced monthly payments for the
10 member's life with the provision that if the member dies prior to
11 the member having received one hundred twenty monthly payments of
12 the member's reduced annuity, the member's reduced annuity to
13 which the member would have been entitled had the member lived
14 shall be paid for the remainder of the one hundred twenty months'
15 period to such person as the member shall have nominated by
16 written designation duly executed and filed with the board. If
17 there is no such beneficiary surviving the retirant, the reserve
18 for such annuity for the remainder of such one hundred twenty
19 months' period shall be paid [to the retirant's estate] as
20 provided under subsection 3 of section 104.620. If such
21 beneficiary dies after the member's date of death but before
22 having received the remainder of the one hundred twenty monthly
23 payments of the retiree's reduced annuity, the reserve for such
24 annuity for the remainder of such one hundred twenty-month period
25 shall be paid [to the beneficiary's estate] as provided under
26 subsection 3 of section 104.620; or

27 Option 4. An actuarial reduction approved by the board of
28 the member's normal annuity in reduced monthly payments for the

1 member's life with the provision that if the member dies prior to
2 the member having received sixty monthly payments of the member's
3 reduced annuity, the member's reduced annuity to which the member
4 would have been entitled had the member lived shall be paid for
5 the remainder of the sixty months' period to such person as the
6 member shall have nominated by written designation duly executed
7 and filed with the board. If there be no such beneficiary
8 surviving the retirant, the reserve for such annuity for the
9 remainder of such sixty months' period shall be paid [to the
10 retirant's estate] as provided under subsection 3 of section
11 104.620. If such beneficiary dies after the member's date of
12 death but before having received the remainder of the sixty
13 monthly payments of the retiree's reduced annuity, the reserve
14 for such annuity for the remainder of the sixty-month period
15 shall be paid [to the beneficiary's estate] as provided under
16 subsection 3 of section 104.620.

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

25 3. For members who retire on or after August 28, 1995, in
26 the event such member elected a joint and survivor option
27 pursuant to the provisions of this section and the member's
28 eligible spouse or eligible former spouse precedes the member in

1 death, the member's annuity shall revert effective the first of
2 the month following the death of the spouse or eligible former
3 spouse [regardless of when the board receives the member's
4 written application for the benefit provided in this subsection,
5 to an amount equal to the member's normal annuity, as adjusted
6 for early retirement if applicable] to a normal annuity, as
7 adjusted for early retirement if applicable, if the member
8 cancels the member's original joint and survivor election; such
9 benefit shall include any increases the member would have
10 received since the date of retirement had the member elected a
11 normal annuity.

12 4. Effective on or after August 28, 1995, any retired
13 member who had elected a joint and survivor option and whose
14 spouse or eligible former spouse precedes or preceded the member
15 in death shall upon application to the board be made,
16 constituted, appointed and employed by the board as a special
17 consultant on the problems of retirement, aging and other state
18 matters. As a special consultant pursuant to the provisions of
19 this section, the member's reduced annuity shall revert to a
20 normal annuity as adjusted for early retirement, if applicable,
21 effective the first of the month following the death of the
22 spouse or eligible former spouse or August 28, 1995, whichever is
23 later, [regardless of when the board receives the member's
24 written application] if the member cancels the member's original
25 joint and survivor election; such annuity shall include any
26 increases the retired member would have received since the date
27 of retirement had the member elected a normal annuity.

28 5. Effective July 1, 2000, a member may make an election

1 under option 1 or 2 after the date retirement benefits are
2 initiated if the member makes such election within one year from
3 the date of marriage or July 1, 2000, whichever is later, under
4 any of the following circumstances:

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

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

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

17 7. Effective September 1, 2001, the retirement application
18 of any member who fails to make an election pursuant to
19 subsection 1 of this section within ninety days of the annuity
20 starting date contained in such retirement application shall be
21 nullified. Any member whose retirement application is nullified
22 shall not receive retirement benefits until the member files a
23 new application for retirement pursuant to section 104.401 and
24 makes the election pursuant to subsection 1 of this section. In
25 no event shall any retroactive retirement benefits be paid.

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

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

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

22 3. The disability benefits described in this section shall
23 not be paid to any uniformed member of the water patrol who has
24 retained or regained more than fifty percent of the member's
25 earning capacity. If any uniformed member of the water patrol
26 who has been receiving disability benefits again becomes an
27 employee, the member's disability benefits shall be discontinued,
28 the member's prior period of creditable service shall be

1 restored, and any subsequent determination of benefits due the
2 member or the member's survivors shall be based on the sum of the
3 member's creditable service accrued to the date the member's
4 disability benefits commenced and the period of creditable
5 service after the member's return to employment.

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

14 5. Any member who is receiving disability benefits as of
15 December 31, 1985, or any member who is disabled on December 31,
16 1985, and would have been entitled to receive disability benefits
17 pursuant to this section as the provisions of this section
18 existed immediately prior to September 28, 1985, shall be
19 eligible to receive or shall continue to receive benefits in
20 accordance with such prior provisions of this section until the
21 member again becomes an employee; however, all employees of the
22 department of conservation who are disabled shall receive
23 benefits pursuant only to this section or section 104.518,
24 whichever is applicable, and shall not be eligible for benefits
25 under any other plan or program purchased or provided after
26 September 28, 1985.

27 6. Any member who qualifies for disability benefits
28 pursuant to subsection 1 of this section or pursuant to the

1 provisions of section 104.518, or under a long-term disability
2 program provided by the member's employing department as a
3 consequence of employment by the department, shall continue to
4 accrue creditable service based on the member's rate of pay
5 immediately prior to the date the member became disabled in
6 accordance with sections 104.370, 104.371, 104.374 and 104.615,
7 until the date the member's retirement benefit goes into pay
8 status, the disability benefits cease being paid to the member,
9 or the member is no longer disabled, whichever comes first.

10 Persons covered by the provisions of sections 476.515 to 476.565,
11 RSMo, or sections 287.812 to 287.855, RSMo, who qualify for
12 disability benefits pursuant to the provisions of section
13 104.518, at the date the person becomes disabled, shall continue
14 to accrue creditable service based on the person's rate of pay
15 immediately prior to the date the person becomes disabled until
16 the date the person's retirement benefit goes into pay status,
17 the disability benefits cease being paid to the person or the
18 person is no longer disabled, whichever comes first. [Members or
19 persons continuing to accrue creditable service pursuant to this
20 subsection shall be entitled to continue their life insurance
21 coverage subject to the provisions of the life insurance plan
22 administered by the board pursuant to section 104.517.] For the
23 purposes of life insurance coverage under sections 104.515 and
24 104.517, a person who is receiving disability benefits under this
25 section shall be required to pay the cost of life insurance
26 coverage provided under section 104.517 in order to receive such
27 coverage, unless such person is eligible to receive such
28 insurance at no cost under any waiver of premium provision that

1 may exist under the contract for life insurance. For purposes of
2 eligibility to apply for retirement, persons receiving disability
3 benefits under this section shall be treated as if they were
4 active employees during their period of disability. The rate of
5 pay for purposes of calculating retirement benefits for a member
6 or person described in this subsection who becomes disabled and
7 retires on or after August 28, 1999, shall be the member's or
8 person's regular monthly compensation received at the time of
9 disablement, increased thereafter for any increases in the
10 consumer price index. Such increases in the member's monthly pay
11 shall be made annually beginning twelve months after disablement
12 and shall be equal to eighty percent of the increase in the
13 consumer price index during the calendar year prior to the
14 adjustment, but not more than five percent of the member's
15 monthly pay immediately before the increase. Such accruals shall
16 continue until the earliest of: receipt of an early retirement
17 annuity, attainment of normal retirement eligibility or
18 termination of disability benefits.

19 7. A member or person who continues to be disabled as
20 provided in subsection 6 of this section until the member's
21 normal retirement age shall be eligible to retire on the first
22 day of the month next following the member's or person's final
23 payment pursuant to section 104.518 or, if applicable, subsection
24 1 of this section. A member or person who retires pursuant to
25 this subsection shall receive the greater of the normal annuity
26 or the minimum annuity, if applicable, determined pursuant to
27 sections 104.370, 104.371, 104.374 and 104.615, and section
28 287.820, RSMo, and section 476.530, RSMo, as if the member or

1 person had continued in the active employ of the employer until
2 the member's or person's retirement benefit goes into pay status,
3 the disability benefits cease being paid to the member or person,
4 or the member or person is no longer disabled, whichever comes
5 first and the member's or person's compensation for such period
6 had been the member's or person's rate of pay immediately
7 preceding the date the member or person became disabled.

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

14 9. If a member ceases to be disabled and if the member does
15 not return to work as provided in subsection 8 of this section,
16 the member's rights to further benefits shall be determined in
17 accordance with sections 104.335, 104.380, 104.400, 104.420 and
18 104.615 as though the member had withdrawn from service as of the
19 date the member ceased to be disabled, as determined by the
20 system.

21 104.450. 1. The board of trustees shall consist of the
22 state treasurer, the commissioner of administration, two members
23 of the senate appointed by the president pro tem of the senate,
24 two members of the house of representatives appointed by the
25 speaker of the house, two members appointed by the governor, and
26 three elected members [who are members of the system, one of
27 whom] that shall each serve four-year terms. One elected member
28 shall be a retiree elected by a plurality vote of [retired

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

28 2. The office of a trustee as described in subsection 1 of

1 this section shall be deemed vacated in the event such trustee is
2 convicted of a crime involving stealing, forgery, counterfeiting,
3 passing bad checks, fraud, bribery, theft or misapplication of
4 funds as described under chapter 570, RSMo, or a crime involving
5 bribery, corruption, official misconduct, or misuse of official
6 information as described under chapter 576, RSMo.

7 104.490. 1. Should any error result in any member or
8 beneficiary receiving more or less than he or she would have been
9 entitled to receive had the error not occurred, the board shall
10 correct such error, and, as far as practicable, make future
11 payments in such a manner that the actuarial equivalent of the
12 benefit to which such member or beneficiary was entitled shall be
13 paid, and to this end may recover any overpayments. In all cases
14 in which an error has been made, no such error shall be corrected
15 unless the system discovers or is notified of such error within
16 ten years after the date benefits begin to be paid based on the
17 error.

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

22 3. The board of trustees of the Missouri state employees'
23 retirement system shall cease paying benefits to any survivor or
24 beneficiary who is charged with the intentional killing of a
25 member without legal excuse or justification. A survivor or
26 beneficiary who is convicted of such charge shall no longer be
27 entitled to receive benefits. If the survivor or beneficiary is
28 not convicted of such charge, the board shall resume payment of

1 benefits and shall pay the survivor or beneficiary any benefits
2 that were suspended pending resolution of such charge.

3 104.601. 1. Any member retiring pursuant to the provisions
4 of this chapter or any member retiring pursuant to provisions of
5 chapter 169, RSMo, who is a member of the public school
6 retirement system and who is employed by a state agency other
7 than an institution of higher learning, after working
8 continuously until reaching retirement age, shall be credited
9 with all his or her unused sick leave as reported through the
10 financial and human resources system maintained by the office of
11 administration, or if a state agency's employees are not paid
12 salaries or wages through such system, as reported directly by
13 the state agency. When calculating years of service, each member
14 shall be entitled to one-twelfth of a year of creditable service
15 for each one hundred sixty-eight hours of unused accumulated sick
16 leave earned by the member. The employing agency shall not
17 certify unused sick leave unless such unused sick leave could
18 have been used by the member for sickness or injury. The rate of
19 accrual of sick leave for purposes of computing years of service
20 pursuant to this section shall be no greater than ten hours per
21 month regardless of whether or not the employee is employed in
22 more than one position that qualifies the employee to receive
23 retirement benefits under this chapter. Nothing under this
24 section shall allow a member to vest in the retirement system by
25 using such credited sick leave to reach the time of vesting.

26 2. Any system established pursuant to the provisions of
27 this chapter shall not consider unused sick leave in determining
28 the member's average compensation, eligibility for deferred,

1 early, or normal retirement, including retirement benefits based
2 on a higher formula, or any lump sum payment.

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

11 2. Notwithstanding the provisions of sections 104.380 and
12 104.1039 or any other law, any member who is employed, elected,
13 or appointed and begins serving on or after September 1, 2006, as
14 an employee by a department, an administrative law judge or legal
15 advisor, or a judge, shall not receive a retirement annuity based
16 on the member's creditable or credited service under this
17 chapter, chapter 287, RSMo, or chapter 476, RSMo, during any
18 month or part of a month while such member is so employed.

19 3. A member described in subsection 2 of this section who
20 retired under the closed plan as defined under subsection 7 of
21 section 104.1003 and who is employed, elected, or appointed as an
22 employee by a department shall be considered to be an employee
23 with no previous creditable service and will accrue creditable
24 service under the closed plan while so employed after completing
25 at least one year of service. Such member shall not be required
26 to meet age and service requirements for retirement eligibility
27 under the closed plan and upon termination of employment shall
28 receive an additional monthly annuity calculated under the closed

1 plan based on the type of service accrued. If the member's
2 original annuity was based on an early retirement reduction, the
3 additional annuity shall be calculated using a reduction based on
4 the member's age at the time the additional annuity is calculated
5 and the amount of service since reemployment unless the member's
6 age and total years of service under the original and additional
7 annuity would make the member eligible for a normal annuity, in
8 which case, the additional annuity shall be calculated as a
9 normal retirement annuity based on the member's service since
10 reemployment.

11 4. A member described in subsection 2 of this section who
12 retired under the year 2000 plan under sections 104.1003 to
13 104.1093 and who is employed, elected, or appointed as an
14 employee by a department shall be considered to be an employee
15 with no previous credited service and will accrue credited
16 service under the year 2000 plan while so employed after
17 completing at least one year of service. Such member shall not
18 be required to meet age and service requirements for retirement
19 eligibility under the year 2000 plan and upon termination of
20 employment shall receive an additional monthly annuity calculated
21 under the year 2000 plan based on the type of service accrued.
22 If the member's original annuity was based on an early retirement
23 reduction, the additional annuity shall be calculated using a
24 reduction based on the member's age at the time the additional
25 annuity is calculated and the amount of service since
26 reemployment unless the member's age and total years of service
27 under the original and additional annuity would make the member
28 eligible for a normal retirement annuity, in which case, the

1 additional annuity shall be calculated as a normal retirement
2 annuity based on the member's service since reemployment.

3 5. A member who was an administrative law judge, legal
4 advisor, or judge described in subsection 2 of this section who
5 has not retired under a retirement plan created under this
6 chapter and who is employed, elected, or appointed as an employee
7 by a department shall be considered to be a new employee with no
8 previous credited service and will accrue credited service under
9 the year 2000 plan under sections 104.1003 to 104.1093 while so
10 employed after completing at least one year of service. Such
11 member shall not be required to meet age and service requirements
12 for retirement eligibility under the year 2000 plan and upon
13 termination of employment shall receive an additional monthly
14 annuity calculated under the year 2000 plan based on the type of
15 service accrued.

16 6. The original annuity or benefit, the additional annuity
17 described in this section, or any annuity paid under section
18 104.420 or 104.1030, shall be paid commencing with the end of the
19 first month after the month during which the member terminates
20 employment. The original annuity or benefit, the additional
21 annuity, or any annuity paid under section 104.420 or 104.1030
22 shall be paid by the system that issued the original annuity or
23 benefit; except that in the event a member dies prior to
24 termination of employment, an annuity shall be paid under section
25 104.420 or 104.1030 in lieu of an additional annuity otherwise
26 described in this section, and such member shall not be required
27 to meet age and service requirements for retirement eligibility
28 for an annuity paid under section 104.420 or 104.1030. A member,

1 or the member's beneficiary in the event the member dies prior to
2 termination of employment, shall transfer the member's creditable
3 or credited service to the system that paid the original annuity
4 if the member accrued such service in a different system. The
5 system that paid the original annuity shall pay the additional
6 annuity or the annuity under section 104.420 or 104.1030, based
7 on the retirement formula that otherwise would apply based on the
8 position in which the member was employed for the period of
9 service applicable to the additional annuity or the annuity under
10 section 104.420 or 104.1030. The annuity option and plan
11 election for the additional annuity shall be the same as the
12 original annuity or benefit subject to any modifications that may
13 have been made to the original annuity as provided by law; except
14 that the annuity option for an annuity paid under section 104.420
15 or 104.1030 shall be as provided in those sections. Cost-of-
16 living adjustments shall be paid on both annuities based on the
17 original cost-of-living payment date for the original annuity or
18 benefit. In no event shall any cost-of-living adjustments be
19 paid or accrued during the member's period of employment.

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

22 104.606. Any member of either system who purchases
23 creditable service or credited service under this chapter or
24 chapter 105, RSMo, must apply and complete the purchase prior to
25 applying to receive a retirement annuity in order to receive
26 credit for such purchase.

27 104.607. 1. Either system may elect by a majority vote of
28 its board of trustees to establish and administer an arrangement

1 and fund to pay accrued benefits of its members to its member
2 under this chapter to the extent that the accrued benefits paid
3 out of the fund would not otherwise be payable under limitations
4 in Section 415 of the Internal Revenue Code. An arrangement and
5 fund established under this section shall be kept separate from
6 the pension's fund assets.

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

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

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

26 104.620. 1. Any member who has not received a lump sum
27 payment equal to the sum total of the contributions that the
28 member paid into the retirement system, plus interest credited to

1 his or her account, shall be entitled to such a lump sum payment.
2 Lump sum payments made pursuant to this section shall not be
3 reduced by any retirement benefits which a member is entitled to
4 receive, but shall be paid in full out of appropriate funds
5 pursuant to appropriations for this purpose.

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

17 3. In the event any amount is due a deceased member,
18 survivor, or beneficiary who dies after September 1, 2002, such
19 amount shall be paid to the person or entity designated in
20 writing as beneficiary to receive such amount by such member,
21 survivor, or beneficiary. The member, survivor, or beneficiary
22 may designate in writing a beneficiary to receive any final
23 payment due after the death of a member, survivor, or beneficiary
24 pursuant to this chapter. If no living person or entity so
25 designated as beneficiary exists at the time of death, such
26 amount shall be paid to the surviving spouse married to the
27 deceased member, survivor, or beneficiary at the time of death.
28 If no surviving spouse exists, such amount shall be paid to the

1 surviving children or their descendants of such member, survivor,
2 or beneficiary in equal parts. If no surviving children or any
3 of their descendants exist, such amount shall be paid to the
4 surviving parents of such member, survivor, or beneficiary in
5 equal parts. If no surviving parents exist, such amount shall be
6 paid to the surviving brothers, sisters, or their descendants of
7 such member, survivor, or beneficiary in equal parts. If no
8 surviving brothers, sisters, or their descendants exist, payment
9 may be made as otherwise permitted by law. Notwithstanding this
10 subsection, any amount due to a deceased member as payment of all
11 or part of a lump sum pursuant to section 104.625 shall be paid
12 to the member's surviving spouse married to the member at the
13 time of death, and otherwise payment may be made as provided in
14 this subsection. In the event any amount that is due to a member
15 of either system remains unclaimed by such member for a period of
16 four years or more, such amount shall automatically revert to the
17 credit of the fund of the member's system. If an application is
18 made after such reversion for such amount, the board shall pay
19 such amount from the board's fund to the member, except that no
20 interest shall be paid on such funds after the date of the
21 reversion to the fund.

22 4. The beneficiary of any member who purchased creditable
23 service in the Missouri state employees' retirement system shall
24 receive a refund upon the member's death equal to the amount of
25 any purchase less any retirement benefits received by the member
26 unless an annuity is payable to a survivor or beneficiary as a
27 result of the member's death. In that event, the beneficiary of
28 the survivor or beneficiary who received the annuity shall

1 receive a refund upon the survivor's or beneficiary's death equal
2 to the amount of the member's purchase of service less any
3 annuity amounts received by the member and the survivor or
4 beneficiary.

5 5. The provisions of this section shall apply to any
6 administrative law judge, legal advisor or beneficiary as defined
7 under section 287.812, RSMo, or any judge or beneficiary as
8 defined under section 476.515, RSMo, or any special commissioner
9 under section 476.450, RSMo.

10 104.805. 1. Employees who are earning creditable service
11 in the closed plan of the Missouri state employees' retirement
12 system and who are, as a result of the provisions of this section
13 and sections 226.008, 389.005, 389.610, and 621.040, RSMo,
14 transferred to the department of transportation will not become
15 members of the closed plan of the [highways and transportation
16 employees' and highway patrol] Missouri department of
17 transportation and highway patrol employees' retirement system
18 unless they elect to transfer membership and creditable service
19 to the closed plan of the [highways and transportation employees'
20 and highway patrol] Missouri department of transportation and
21 highway patrol employees' retirement system. The election must
22 be in writing and must be made within ninety days of [July 11,
23 2002] the effective date of such transfer. Any election to
24 transfer membership and creditable service to the [highways and
25 transportation employees' and highway patrol] Missouri department
26 of transportation and highway patrol employees' retirement system
27 shall result in the forfeiture of any rights or benefits in the
28 Missouri state employees' retirement system. Any failure to

1 elect to transfer membership and creditable service pursuant to
2 this subsection will result in the employees remaining in the
3 closed plan of the Missouri state employees' retirement system.
4 If an election is made, the effective date for commencement of
5 membership and transfer of such creditable service shall be
6 January 1, [2003] 2007.

7 2. Employees who are earning credited service in the year
8 2000 plan of the Missouri state employees' retirement system and
9 who are, as a result of the provisions of this section and
10 sections 226.008, 389.005, 389.610, and 621.040, RSMo,
11 transferred to the department of transportation will remain in
12 the year 2000 plan administered by the Missouri state employees'
13 retirement system unless they elect to transfer membership and
14 credited service to the year 2000 plan administered by the
15 [highways and transportation employees' and highway patrol]
16 Missouri department of transportation and highway patrol
17 employees' retirement system. The election must be in writing
18 and must be made within ninety days of [July 11, 2002] the
19 effective date of such transfer. Any election to transfer
20 membership and credited service to the year 2000 plan
21 administered by the [highways and transportation employees' and
22 highway patrol] Missouri department of transportation and highway
23 patrol employees' retirement system shall result in the
24 forfeiture of any rights or benefits in the Missouri state
25 employees' retirement system. Any failure to elect to transfer
26 membership and credited service pursuant to this subsection will
27 result in the employees remaining in the year 2000 plan
28 administered by the Missouri state employees' retirement system.

1 If an election is made, the effective date for commencement of
2 membership and transfer of such creditable service shall be
3 January 1, [2003] 2007.

4 3. For any employee who elects under subsection 1 or 2 of
5 this section to transfer to the [highways and transportation
6 employees' and highway patrol] Missouri department of
7 transportation and highway patrol employees' retirement system,
8 the Missouri state employees' retirement system shall pay to the
9 [highways and transportation employees' and highway patrol]
10 Missouri department of transportation and highway patrol
11 employees' retirement system, by December 31, [2002] 2006, an
12 amount actuarially determined to equal the liability transferred
13 from the Missouri state employees' retirement system.

14 4. In no event shall any employee receive service credit
15 for the same period of service under more than one retirement
16 system as a result of the provisions of this section.

17 5. For any transferred employee who elects under subsection
18 1 or 2 of this section to transfer to the [highways and
19 transportation employee's and highway patrol] Missouri department
20 of transportation and highway patrol employees' retirement
21 system, the only medical coverage available for the employee
22 shall be the medical coverage provided in section 104.270. The
23 effective date for commencement of medical coverage shall be
24 January 1, [2003] 2007. However, this does not preclude medical
25 coverage for the transferred employee as a dependent under any
26 other health care plan.

27 104.1003. Unless a different meaning is plainly required by
28 the context, the following words and phrases as used in sections

1 104.1003 to 104.1093 shall mean:

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

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

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

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

14 (5) "Beneficiary", any person or entity entitled to receive
15 an annuity or other benefit pursuant to sections 104.1003 to
16 104.1093 based upon the employment record of another person;

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

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

26 (8) "Consumer price index", the Consumer Price Index for
27 All Urban Consumers for the United States, or its successor
28 index, as approved by the board, as such index is defined and

officially reported by the United States Department of Labor, or its successor agency;

(9) "Credited service", the total credited service to a member's credit as provided in sections 104.1003 to 104.1093; except that in no case shall more than one day of credited service be credited any member or vested former member for any one calendar day of eligible service credit as provided by law;

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

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

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

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

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

(b) The term "employee" shall be modified as provided by

1 other provisions of sections 104.1003 to 104.1093;

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

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

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

13 (14) "Employer", a department;

14 (15) "Executive director", the executive director employed
15 by a board established pursuant to the provisions of sections
16 104.1003 to 104.1093;

17 (16) "Final average pay", the average pay of a member for
18 the thirty-six full consecutive months of service before
19 termination of employment when the member's pay was greatest; or
20 if the member was on workers' compensation leave of absence or a
21 medical leave of absence due to an employee illness, the amount
22 of pay the member would have received but for such leave of
23 absence as reported and verified by the employing department; or
24 if the member was employed for less than thirty-six months, the
25 average monthly pay of a member during the period for which the
26 member was employed. The board of each system may promulgate
27 rules for purposes of calculating final average pay and other
28 retirement provisions to accommodate for any state payroll system

1 in which pay is received on a monthly, semimonthly, biweekly, or
2 other basis;

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

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

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

9 (20) "Normal retirement eligibility", a member's attainment
10 of at least sixty-two years of age and the completion of at least
11 five or more years of credited service or, the attainment of at
12 least forty-eight years of age with a total of years of age and
13 years of credited service which is at least eighty or, in the
14 case of a member of the highway patrol who shall be subject to
15 the mandatory retirement provisions of section 104.080, the
16 mandatory retirement age and completion of five years of credited
17 service or, the attainment of at least forty-eight years of age
18 with a total of years of age and years of credited service which
19 is at least eighty;

20 (21) "Pay" shall include:

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

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

28 b. Any amounts paid upon termination of employment for

1 unused annual leave or unused sick leave;

2 c. Pay in excess of the limitations set forth in Section
3 401(a)(17) of the Internal Revenue Code of 1986 as amended and
4 other applicable federal laws or regulations; [and]

5 d. Any nonrecurring single sum payments; and

6 e. Any amounts for which contributions have not been made
7 in accordance with section 104.1066;

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

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

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

19 (22) "Retiree", a person receiving an annuity from the year
20 2000 plan based upon the person's employment record;

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

22 (24) "System" or "retirement system", the Missouri state
23 employees' retirement system or the [transportation department
24 and highway patrol retirement system] Missouri department of
25 transportation and highway patrol employees' retirement system,
26 as the case may be;

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

1 (26) "Year 2000 plan", the benefit plan created by sections
2 104.1003 to 104.1093.

3 104.1012. 1. Any new state employee who would have become
4 a member of the closed plan administered by the transportation
5 department and highway patrol retirement system except for the
6 creation of the year 2000 plan and persons covered by the closed
7 plan administered by the highway and transportation employees'
8 and highway patrol retirement system who elect year 2000 plan
9 coverage as provided in section 104.1015 shall have their year
10 2000 plan coverage managed by that board.

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

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

1 enterprise with similar aims.

2 104.1015. 1. Persons covered by a closed plan on July 1,
3 2000, shall elect whether or not to change to year 2000 plan
4 coverage. Any such person who elects to be covered by the year
5 2000 plan shall forfeit all rights to receive benefits under this
6 chapter except as provided under the year 2000 plan and all
7 creditable service of such person under the closed plan shall be
8 credited under the year 2000 plan. Any such person who elects
9 not to be covered by the year 2000 plan shall waive all rights to
10 receive benefits under the year 2000 plan. In no event shall any
11 retroactive annuity be paid to such persons pursuant to sections
12 104.1003 to 104.1093 except as described in subsection 2 of this
13 section.

14 2. Each retiree of the closed plan on July 1, 2000, shall
15 be furnished by the appropriate system a written comparison of
16 the retiree's closed plan coverage and the retiree's potential
17 year 2000 plan coverage. A retiree shall elect whether or not to
18 change to year 2000 plan coverage by making a written election,
19 on a form furnished by the appropriate board, and providing that
20 form to the system by no later than twelve months after July 1,
21 2000, and any retiree who fails to make such election within such
22 time period shall be deemed to have elected to remain covered
23 under the closed plan; provided the election must be after the
24 retiree has received from the appropriate system such written
25 comparison. The retirement option elected under the year 2000
26 plan shall be the same as the retirement option elected under the
27 closed plan, except any retiree who is receiving one of the
28 options providing for a continuing lifetime annuity to a

1 surviving spouse under the closed plan may elect to receive an
2 annuity under option 1 or 2 of section 104.1027, or a life
3 annuity under subsection 2 of section 104.1024, provided the
4 person who was married to the member at the time of retirement,
5 if any, consents in writing to such election made pursuant to
6 section 104.1024, or to any election described in this section if
7 the person was married to a member of the Missouri state
8 employees' retirement system. The effective date of payment of
9 an annuity under the year 2000 plan as provided in this
10 subsection shall begin on July 1, 2000. No adjustment shall be
11 made to retirement benefits paid to the retiree prior to July 1,
12 2000. In order to calculate a new monthly annuity for retirees
13 electing coverage under the year 2000 plan pursuant to this
14 subsection, the following calculations shall be made:

15 (1) Except as otherwise provided in this subsection, the
16 retiree's gross monthly retirement annuity in effect immediately
17 prior to July 1, 2000, shall be multiplied by the percentage
18 increase in the life annuity formula between the closed plan and
19 the year 2000 plan. This amount shall be added to the retiree's
20 gross monthly retirement annuity in effect immediately prior to
21 July 1, 2000, to arrive at the retiree's new monthly retirement
22 annuity in the year 2000 plan on July 1, 2000. The age of
23 eligibility and reduction factors applicable to the retiree's
24 original annuity under the closed plan shall remain the same in
25 the annuity payable under the year 2000 plan, except as provided
26 in subdivision (2) of this subsection.

27 (2) If option 1 or 2 pursuant to section 104.1027 is chosen
28 by the retiree under the year 2000 plan, the new monthly

1 retirement annuity calculated pursuant to subdivision (1) of this
2 subsection shall be recalculated using the reduction factors for
3 the option chosen pursuant to section 104.1027.

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

9 (4) Cost-of-living adjustments paid pursuant to section
10 104.1045 will commence on the anniversary of the retiree's
11 annuity starting date coincident with or next following July 1,
12 2000.

13 (5) Any retiree or other person described in this section
14 who elects coverage under the year 2000 plan based on service
15 rendered as a member of the general assembly or as a statewide
16 elected official shall receive an annuity under the year 2000
17 plan calculated pursuant to the provisions of section 104.1084
18 using the current monthly pay at the time of the election with
19 future COLAs calculated pursuant to subsection 7 of section
20 104.1084.

21 3. Each person who is an employee and covered by the closed
22 plan and not a retiree of the closed plan on July 1, 2000, shall
23 elect whether or not to change to year 2000 plan coverage prior
24 to the last business day of the month before the person's annuity
25 starting date, and if such election has not been made within such
26 time, annuity payments due beginning on and after the month of
27 the annuity starting date shall be made the month following the
28 receipt by the appropriate system of such election and any other

1 information required by the year 2000 plan created by sections
2 104.1003 to 104.1093; provided, such election must be after the
3 person has received from the year 2000 plan a written comparison
4 of the person's closed plan coverage and the person's potential
5 year 2000 plan coverage and the election must be made in writing
6 on a form furnished by the appropriate board. If such person
7 dies after the annuity starting date but before making such
8 election and providing such other information, no benefits shall
9 be paid except as required pursuant to section 104.420 or
10 subsection 2 of section 104.372 for members of the general
11 assembly.

12 4. Each person who is not an employee and not a retiree and
13 is eligible for a deferred annuity from the closed plan on July
14 1, 2000, shall elect whether or not to change to the year 2000
15 plan coverage prior to the last business day of the month before
16 the person's annuity starting date, and if such election has not
17 been made within such time, annuity payments due beginning on and
18 after the month of the annuity starting date shall be made the
19 month following the receipt by the appropriate system of such
20 election and any other information required by the year 2000 plan
21 created by sections 104.1003 to 104.1093; provided, the election
22 must be after the person has received from the year 2000 plan a
23 written comparison of the person's closed plan coverage and the
24 person's potential year 2000 plan coverage and the election must
25 be made in writing on a form furnished by the appropriate board.
26 If such person dies after the annuity starting date but before
27 making such election and providing such other information, no
28 benefits shall be paid except as required pursuant to section

1 104.420 or subsection 2 of section 104.372 for members of the
2 general assembly.

3 5. Each person who is not an employee and not a retiree and
4 is eligible for a deferred annuity from the closed plan and
5 returns to covered employment on or after July 1, 2000, shall be
6 covered under the closed plan; provided, such person shall elect
7 whether or not to change to the year 2000 plan coverage prior to
8 the last business day of the month before the person's annuity
9 starting date, and if such election has not been made within such
10 time, annuity payments due beginning on and after the month of
11 the annuity starting date shall be made the month following the
12 receipt by the appropriate system of such election and any other
13 information required by the year 2000 plan created by sections
14 104.1003 to 104.1093 and the election must be after the person
15 has received from the year 2000 plan a written comparison of the
16 person's closed plan coverage and the person's potential year
17 2000 plan coverage and the election must be made in writing on a
18 form furnished by the appropriate board. If such person dies
19 after the annuity starting date but before making such election
20 and providing such other information, no benefits shall be paid
21 except as required under section 104.420 or subsection 2 of
22 section 104.372 for members of the general assembly.

23 6. Each person who is not an employee and not a retiree and
24 not eligible for a deferred annuity from the closed plan but has
25 forfeited creditable service with the closed plan and becomes an
26 employee on or after August 28, 2002, shall be changed to year
27 2000 plan coverage and upon receiving credited service
28 continuously for one year shall receive credited service for all

1 such forfeited creditable service under the closed plan.

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

10 8. The retirees and persons described in subsections 2 and
11 4 of this section shall be eligible for benefits under those
12 subsections pursuant to subsection 8 of section 104.610.

13 9. A member may change a member's plan election made under
14 this section at any time prior to the system mailing or
15 electronically transferring the first annuity payment to such
16 member.

17 104.1021. 1. The appropriate board shall determine how
18 much credited service shall be given each member consistent with
19 this section.

20 2. If a member terminates employment and is eligible to
21 receive an annuity pursuant to the year 2000 plan, or becomes a
22 vested former member at the time of termination, the member's or
23 former member's unused sick leave as reported through the
24 financial and human resources system maintained by the office of
25 administration, or if a department's employees are not paid
26 salaries or wages through such system, as reported directly by
27 the department, for which the member has not been paid will be
28 converted to credited service at the time of application for

1 retirement benefits. The member shall receive one-twelfth of a
2 year of credited service for each one hundred and sixty-eight
3 hours of such unused sick leave. The employing department shall
4 not certify unused sick leave unless such unused sick leave could
5 have been used by the member for sickness or injury. The rate of
6 accrual of sick leave for purposes of computing years of service
7 pursuant to this section shall be no greater than ten hours per
8 month regardless of whether or not the employee is employed in
9 more than one position that qualifies the employee to receive
10 retirement benefits under this chapter. Such credited service
11 shall not be used in determining the member's final average pay,
12 eligibility for deferred, early, or normal retirement, including
13 retirement benefits based on a higher formula, or any lump sum
14 payment. Such credited service shall be added to the credited
15 service in the last position of employment held as a member of
16 the system.

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

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

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

3 6. Any member who had active military service in the United
4 States Army, Air Force, Navy, Marine Corps, Army or Air National
5 Guard, Coast Guard, or any reserve component thereof prior to
6 last becoming a member, or who is otherwise ineligible to receive
7 credited service pursuant to subsection 1 or 5 of this section,
8 and who became a member after the person's discharge from
9 military service under honorable conditions may elect, prior to
10 retirement, to purchase credited service for all such military
11 service, but not to exceed four years, provided the person is not
12 receiving and is not eligible to receive retirement credits or
13 benefits from any other public or private retirement plan, other
14 than a United States military service retirement system, for the
15 military service to be purchased along with the submission of
16 appropriate documentation verifying the member's dates of active
17 service. The purchase shall be effected by the member paying to
18 the system an amount equal to the state's contributions that
19 would have been made to the system on the member's behalf had the
20 member been a member for the period for which the member is
21 electing to purchase credit and had the member's pay during such
22 period of membership been the same as the annual pay rate as of
23 the date the member was initially employed as a member, with the
24 calculations based on the contribution rate in effect on the date
25 of such member's employment with simple interest calculated from
26 the date of employment to the date of election pursuant to this
27 subsection. The payment shall be made over a period of not
28 longer than two years, measured from the date of election, and

1 with simple interest on the unpaid balance. If a member who
2 purchased credited service pursuant to this subsection dies prior
3 to retirement, the surviving spouse may, upon written request,
4 receive a refund of the amount contributed for such purchase of
5 such credited service, provided the surviving spouse is not
6 entitled to survivorship benefits payable pursuant to the
7 provisions of section 104.1030.

8 7. Any member of the Missouri state employees' retirement
9 system shall receive credited service for the creditable prior
10 service that such employee would have been entitled to under the
11 closed plan pursuant to section 104.339, subsections 2, and 6 to
12 9 of section 104.340, subsection 12 of section 104.342, section
13 104.344, subsection 4 of section 104.345, subsection 4 of section
14 104.372, section 178.640, RSMo, and section 211.393, RSMo,
15 provided such service has not been credited under the closed
16 plan.

17 8. Any member who has service in both systems and dies or
18 terminates employment shall have the member's service in the
19 other system transferred to the last system that covered such
20 member and any annuity payable to such member shall be paid by
21 that system. Any such member may elect to transfer service
22 between systems prior to termination of employment, provided, any
23 annuity payable to such member shall be paid by the last system
24 that covered such member prior to the receipt of such annuity.

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

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

8 11. A member may not purchase any credited service
9 described in this section unless the member has met the five-year
10 minimum service requirement as provided in subdivisions (11) and
11 (20) of section 104.1003, the [two] three full biennial
12 assemblies minimum service requirement as provided in section
13 104.1084, or the four-year minimum service requirement as
14 provided in section 104.1084.

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

20 13. Upon the death of a member who has not requested
21 credited service under section 104.339, subsections 2, 6, 7, and
22 9 of section 104.340, subsection 12 of section 104.342,
23 subsection 4 of section 104.345, subsection 4 of section 104.372,
24 section 178.639, RSMo, or section 211.393, RSMo, the survivor of
25 such member who is or would be eligible to receive benefits under
26 section 104.1030 may elect to have the member receive such
27 credited service or transfer such service. Upon making such
28 election, all of the provisions of applicable sections of law as

1 provided in this section shall apply. Any survivor benefits
2 shall be calculated as if such credited service or transferred
3 service had been received by such member on a date of the death
4 of the member.

5 104.1024. 1. Any member who terminates employment may
6 retire on or after attaining normal retirement eligibility by
7 making application in written form and manner approved by the
8 appropriate board. The written application shall set forth the
9 annuity starting date which shall not be earlier than the first
10 day of the second month following the month of the execution and
11 filing of the member's application for retirement nor later than
12 the first day of the fourth month following the month of the
13 execution and filing of the member's application for retirement.
14 The payment of the annuity shall be made by the last day of each
15 month, providing all documentation required under section
16 104.1027 for the calculation and payment of the benefits is
17 received by the board.

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

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

26 4. If as of the annuity starting date of a member who has
27 attained normal retirement eligibility the sum of the member's
28 years of age and years of credited service equals eighty or more

1 years and if the member's age is at least forty-eight years but
2 less than sixty-two years, or, in the case of a member of the
3 highway patrol who shall be subject to the mandatory retirement
4 provision of section 104.080, the mandatory retirement age and
5 completion of five years of credited service, then in addition to
6 the life annuity described in subsection 2 of this section, the
7 member shall receive a temporary annuity equal to eight-tenths of
8 one percent of the member's final average pay multiplied by the
9 member's years of credited service. The temporary annuity and
10 any cost-of-living adjustments attributable to the temporary
11 annuity pursuant to section 104.1045 shall terminate at the end
12 of the calendar month in which the earlier of the following
13 events occurs: the member's death or the member's attainment of
14 the earliest age of eligibility for reduced Social Security
15 retirement benefits, but no later than age sixty-two.

16 5. The annuity described in subsection 2 of this section
17 for any person who has credited service not covered by the
18 federal Social Security Act, as provided in sections 105.300 to
19 105.445, RSMo, shall be calculated as follows: the life annuity
20 shall be an amount equal to two and five-tenths percent of the
21 final average pay of the member multiplied by the number of years
22 of service not covered by the federal Social Security Act in
23 addition to one and seven-tenths percent of the final average pay
24 of the member multiplied by the member's years of credited
25 service covered by the federal Social Security Act.

26 6. Effective July 1, 2002, any member, except an elected
27 official or a member of the general assembly, who has not been
28 paid retirement benefits and continues employment for at least

1 two years beyond the date of normal retirement eligibility, may
2 elect to receive an annuity and lump sum payment or payments,
3 determined as follows:

4 (1) A retroactive starting date shall be established which
5 shall be a date selected by the member; provided, however, that
6 the retroactive starting date selected by the member shall not be
7 a date which is earlier than the date when a normal annuity would
8 have first been payable. In addition, the retroactive starting
9 date shall not be more than five years prior to the annuity
10 starting date. The member's selection of a retroactive starting
11 date shall be done in twelve-month increments, except this
12 restriction shall not apply when the member selects the total
13 available time between the retroactive starting date and the
14 annuity starting date;

15 (2) The prospective annuity payable as of the annuity
16 starting date shall be determined pursuant to the provisions of
17 this section, with the exception that it shall be the amount
18 which would have been payable at the annuity starting date had
19 the member actually retired on the retroactive starting date
20 under the retirement plan selected by the member. Other than for
21 the lump sum payment or payments specified in subdivision (3) of
22 this subsection, no other amount shall be due for the period
23 between the retroactive starting date and the annuity starting
24 date;

25 (3) The lump sum payable shall be ninety percent of the
26 annuity amounts which would have been paid to the member from the
27 retroactive starting date to the annuity starting date had the
28 member actually retired on the retroactive starting date and

1 received a life annuity. The member shall elect to receive the
2 lump sum amount either in its entirety at the same time as the
3 initial annuity payment is made or in three equal annual
4 installments with the first payment made at the same time as the
5 initial annuity payment;

6 (4) Any annuity payable pursuant to this section that is
7 subject to a division of benefit order pursuant to section
8 104.1051 shall be calculated as follows:

9 (a) Any service of a member between the retroactive
10 starting date and the annuity starting date shall not be
11 considered credited service except for purposes of calculating
12 the division of benefit; and

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

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

20 104.1027. 1. Prior to the last business day of the month
21 before the annuity starting date, a member or a vested former
22 member shall elect whether or not to have such member's or such
23 vested former member's life annuity reduced, but not any
24 temporary annuity which may be payable, and designate a
25 beneficiary, as provided by the options set forth in this
26 section; provided that if such election has not been made within
27 such time, annuity payments due beginning on and after the month
28 of the annuity starting date shall be made the month following

1 the receipt by the appropriate system of such election and any
2 other information required by the year 2000 plan created by
3 sections 104.1003 to 104.1093, and further provided, that if such
4 person dies after the annuity starting date but before making
5 such election and providing such other information, no benefits
6 shall be paid except as required pursuant to section 104.1030:

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

25 Option 2. A retiree's life annuity shall be reduced to a
26 certain percent of the annuity otherwise payable. Such percent
27 shall be eighty-three percent adjusted as follows: if the
28 retiree's age on the annuity starting date is younger than

1 sixty-two years, an increase of four-tenths of one percent for
2 each year the retiree's age is younger than sixty-two years, to a
3 maximum increase of four and eight-tenths percent; and if the
4 beneficiary's age is younger than the retiree's age on the
5 annuity starting date, a decrease of five-tenths of one percent
6 for each year of age difference; and if the retiree's age is
7 younger than the beneficiary's age on the annuity starting date,
8 an increase of five-tenths of one percent for each year of age
9 difference; provided, after all adjustments the option 2 percent
10 cannot exceed ninety percent. Upon the retiree's death one
11 hundred percent of the retiree's reduced annuity shall be paid to
12 such beneficiary who was the retiree's spouse on the annuity
13 starting date or as otherwise provided by subsection 5 of this
14 section.

15 Option 3. A retiree's life annuity shall be reduced to
16 ninety-five percent of the annuity otherwise payable. If the
17 retiree dies before having received one hundred twenty monthly
18 payments, the reduced annuity shall be continued for the
19 remainder of the one hundred twenty-month period to the retiree's
20 designated beneficiary provided that if there is no beneficiary
21 surviving the retiree, the present value of the remaining annuity
22 payments shall be paid [to the retiree's estate] as provided
23 under subsection 4 of section 104.1054. If the beneficiary
24 survives the retiree but dies before receiving the remainder of
25 such one hundred twenty monthly payments, the present value of
26 the remaining annuity payments shall be paid [to the
27 beneficiary's estate] as provided under subsection 4 of section
28 104.1054.

1 Option 4. A retiree's life annuity shall be reduced to
2 ninety percent of the annuity otherwise payable. If the retiree
3 dies before having received one hundred eighty monthly payments,
4 the reduced annuity shall be continued for the remainder of the
5 one hundred eighty-month period to the retiree's designated
6 beneficiary provided that if there is no beneficiary surviving
7 the retiree, the present value of the remaining annuity payments
8 shall be paid [to the retiree's estate] as provided under
9 subsection 4 of section 104.1054. If the beneficiary survives
10 the retiree but dies before receiving the remainder of such one
11 hundred eighty monthly payments, the present value of the
12 remaining annuity payments shall be paid [to the beneficiary's
13 estate] as provided under subsection 4 of section 104.1054.

14
15 2. If a member is married as of the annuity starting date,
16 the member's annuity shall be paid under the provisions of either
17 option 1 or option 2 as set forth in subsection 1 of this
18 section, at the member's choice, with the spouse as the member's
19 designated beneficiary unless the spouse consents in writing to
20 the member electing another available form of payment.

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

28 4. If a member designates a spouse as a beneficiary

1 pursuant to this section and subsequently that marriage ends as a
2 result of a dissolution of marriage, such dissolution shall not
3 affect the option election pursuant to this section and the
4 former spouse shall continue to be eligible to receive survivor
5 benefits upon the death of the member.

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

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

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

17 6. Effective September 1, 2001, the retirement application
18 of any member who fails to make an election pursuant to
19 subsection 1 of this section within ninety days of the annuity
20 starting date contained in such retirement application shall be
21 nullified. Any member whose retirement application is nullified
22 shall not receive retirement benefits until the member files a
23 new application for retirement pursuant to section 104.1024 and
24 makes the election pursuant to subsection 1 of this section. In
25 no event shall any retroactive retirement benefits be paid.

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

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

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

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

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

13 (3) Designated such spouse as beneficiary under such
14 option.

15 3. If a spouse annuity is not payable pursuant to the
16 provisions of subsection 2 of this section, or when a spouse
17 annuity has ceased to be payable, eighty percent of an annuity
18 computed in the same manner as if the member had retired on the
19 date of death with a normal retirement annuity based upon
20 credited service and final average pay to the date of death and
21 without reduction if the member's age at death was younger than
22 normal retirement eligibility shall be divided equally among the
23 dependent children of the deceased member. A child shall be a
24 dependent child until death or attainment of age twenty-one,
25 whichever occurs first; provided the age twenty-one maximum shall
26 be extended for any child who has been found totally
27 incapacitated by a court of competent jurisdiction. Upon a child
28 ceasing to be a dependent child, that child's portion of the

1 dependent annuity shall cease to be paid, and the amounts payable
2 to any remaining dependent children shall be proportionately
3 increased. Benefits otherwise payable to a child under eighteen
4 years of age under this section, to a beneficiary under eighteen
5 years of age under the administrative law judges and legal
6 advisors retirement plan under chapter 287, RSMo, or to a
7 beneficiary under eighteen years of age under the judicial
8 retirement plan under chapter 476, RSMo, shall be payable to the
9 surviving parent as natural guardian of such child if such parent
10 has custody or assumes custody of such minor child, or to the
11 legal guardian of such child, until such child attains age
12 eighteen; thereafter, the benefit may be paid to the child.

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

24 5. The provisions of this section shall apply to members of
25 the general assembly and statewide elected officials except that
26 the credited service and monthly pay requirements described in
27 section 104.1084 shall apply notwithstanding any other language
28 to the contrary contained in this section.

104.1042. 1. Any member [who is in the Missouri state employees' retirement system] pursuant to the year 2000 plan created by sections 104.1003 to 104.1093 and who becomes disabled and qualifies for [long-term] disability benefits and retires after August 28, 1999, or who becomes disabled and qualifies for [long-term] disability benefits under a program provided by the member's employing department and retires after August 28, 1999, shall continue to accrue credited service and such member's rate of pay for purposes of calculating an annuity pursuant to the year 2000 plan created by sections 104.1003 to 104.1093 shall be the member's regular monthly pay received at the time of disablement, increased thereafter for any increases in the consumer price index. Such increases in the member's monthly pay shall be made annually beginning twelve months after disablement and shall be equal to eighty percent of the increase in the consumer price index during the calendar year prior to the adjustment, but not more than five percent of the member's monthly pay immediately before the increase. Such accruals shall continue until the earliest of receipt of an early retirement annuity, attainment of normal retirement eligibility, or termination of disability benefits. For the purposes of life insurance coverage under section 104.1072, a person who is receiving disability benefits under this section shall be required to pay the cost of life insurance coverage provided under section 104.1072 in order to receive such coverage, unless such person is eligible to receive such insurance at no cost under any waiver of premium provision that may exist under the contract for life insurance. For purposes of eligibility to

1 apply for retirement, persons receiving disability benefits under
2 this section shall be treated as if they were active employees
3 during their period of disability.

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

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

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

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

22 104.1060. 1. Should any error result in any person
23 receiving more or less than he or she would have been entitled to
24 receive had the error not occurred, the board shall correct such
25 error, and, as far as practicable, make future payments in such a
26 manner that the actuarial equivalent of the benefit to which such
27 member or beneficiary was entitled shall be paid, and to this end
28 may recover any overpayments. In all cases in which an error has

1 been made, no such error shall be corrected unless the system
2 discovers or is notified of such error within ten years after the
3 date [of] benefits begin to be paid based on the error.

4 2. A person who knowingly makes a false statement, or
5 falsifies or permits to be falsified a record of the system, in
6 an attempt to defraud the system shall be subject to fine or
7 imprisonment under the Missouri revised statutes.

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

17 104.1072. 1. Each board shall provide or contract, or
18 both, for life insurance benefits for employees covered pursuant
19 to the year 2000 plan as follows:

20 (1) Employees shall be provided fifteen thousand dollars of
21 life insurance until December 31, 2000. Effective January 1,
22 2001, the system shall provide or contract or both for basic life
23 insurance for employees covered under any retirement plan
24 administered by the system pursuant to this chapter, persons
25 covered by sections 287.812 to 287.856, RSMo, for employees who
26 are members of the judicial retirement system as provided in
27 section 476.590, RSMo, and, at the election of the state highways
28 and transportation commission, employees who are members of the

1 highways and transportation employees' and highway patrol
2 retirement system, in the amount equal to one times annual pay,
3 subject to a minimum amount of fifteen thousand dollars. The
4 board shall establish by rule or contract the method for
5 determining the annual rate of pay and any other terms of such
6 insurance as it deems necessary to implement the requirements
7 pursuant to this section. Annual rate of pay shall not include
8 overtime or any other irregular payments as determined by the
9 board. Such life insurance shall provide for triple indemnity in
10 the event the cause of death is a proximate result of a personal
11 injury or disease arising out of and in the course of actual
12 performance of duty as an employee;

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

17 2. (1) In addition to the life insurance authorized by the
18 provisions of subsection 1 of this section, any person for whom
19 life insurance is provided or contracted for pursuant to such
20 subsection may purchase, at the person's own expense and only if
21 monthly voluntary payroll deductions are authorized, additional
22 life insurance at a cost to be stipulated in a contract with a
23 private insurance company or as may be required by a system if
24 the board of trustees determines that the system should provide
25 such insurance itself. The maximum amount of additional life
26 insurance which may be so purchased prior to January 1, 2004, is
27 that amount which equals six times the amount of the person's
28 annual rate of pay, subject to any maximum established by a

1 board, except that if such maximum amount is not evenly divisible
2 by one thousand dollars, then the maximum amount of additional
3 insurance which may be purchased is the next higher amount evenly
4 divisible by one thousand dollars. The maximum amount of
5 additional life insurance which may be so purchased on or after
6 January 1, 2004, is an amount to be stipulated in a contract with
7 a private insurance company or as may be required by the system
8 if the board of trustees determines that the system should
9 provide the insurance itself.

10 (2) Any person defined in subdivision (1) of this
11 subsection may retain an amount not to exceed sixty thousand
12 dollars of life insurance following the date of his or her
13 retirement if such person becomes a retiree the month following
14 termination of employment and makes written application for such
15 life insurance at the same time such person's application is made
16 to the board for retirement benefits. Such life insurance shall
17 only be provided if such person pays the entire cost of the
18 insurance, as determined by the board, by allowing voluntary
19 deductions from the member's annuity.

20 (3) In addition to the life insurance authorized in
21 subdivision (1) of this subsection, any person for whom life
22 insurance is provided or contracted for pursuant to this
23 subsection may purchase, at the person's own expense and only if
24 monthly voluntary payroll deductions are authorized, life
25 insurance covering the person's children or the person's spouse
26 or both at coverage amounts to be determined by the board at a
27 cost to be stipulated in a contract with a private insurer or as
28 may be required by the system if the board of trustees determines

1 that the system should provide such insurance itself.

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

15 3. The state highways and transportation commission may
16 provide for insurance benefits to cover medical expenses for
17 members of the highways and transportation employees' and highway
18 patrol retirement system. The state highways and transportation
19 commission may provide medical benefits for dependents of members
20 and for retired members. Contributions by the state highways and
21 transportation commission to provide the benefits shall be on the
22 same basis as provided for other state employees pursuant to the
23 provisions of section 104.515. Except as otherwise provided by
24 law, the cost of benefits for dependents of members and for
25 retirees and their dependents shall be paid by the members or
26 retirees. The commission may contract with other persons or
27 entities including but not limited to third-party administrators,
28 health network providers and health maintenance organizations for

1 all, or any part of, the benefits provided for in this section.
2 The commission may require reimbursement of any medical claims
3 paid by the commission's medical plan for which there was
4 third-party liability.

5 4. The highways and transportation employees' and highway
6 patrol retirement system may request the state highways and
7 transportation commission to provide life insurance benefits as
8 required in subsections 1 and 2 of this section. If the state
9 highways and transportation commission agrees to the request, the
10 highways and transportation employees' and highway patrol
11 retirement system shall reimburse the state highways and
12 transportation commission for any and all costs for life
13 insurance provided pursuant to subdivision (2) of subsection 1 of
14 this section. The person who is covered pursuant to subsection 2
15 of this section shall be solely responsible for the costs of any
16 additional life insurance. In lieu of the life insurance benefit
17 in subdivision (2) of subsection 1 of this section, the highways
18 and transportation employees' and highway patrol retirement
19 system is authorized in its sole discretion to provide a death
20 benefit of five thousand dollars.

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

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

27 (2) Any member who has been denied life insurance benefits
28 by the insurer or service organization and has exhausted all

1 appeal procedures provided by the insurer or service organization
2 may appeal such decision by filing a petition against the insurer
3 or service organization in a court of law in the member's county
4 of residence; and

5 (3) The board and the system shall not be liable for life
6 insurance benefits provided by an insurer or service organization
7 pursuant to this section and shall not be subject to any cause of
8 action with regard to life insurance benefits or the denial of
9 life insurance benefits by the insurer or service organization
10 unless the member has obtained judgment against the insurer or
11 service organization for life insurance benefits and the insurer
12 or service organization is unable to satisfy that judgment.

13 104.1090. 1. Any member who as described in subdivision
14 (1) of subsection 1 of section 104.1009 has been employed in a
15 position covered by the system for at least ten or more years and
16 has received credited service for such employment in the year
17 2000 plan shall receive additional credited service for previous
18 public employment within the state covered by another retirement
19 plan as defined in section 105.691, RSMo, if all of the following
20 conditions are met:

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

24 (2) The other retirement plan transfers to the system an
25 amount equal to the employee's account balance under a defined
26 contribution plan or the amount equal to the employee's pension
27 benefit obligation under a defined benefit plan at the time of
28 transfer to the extent that obligation is funded as of the plan's

1 most recent actuarial valuation, not to exceed one hundred
2 percent, as determined by the other retirement plan's actuary
3 using the same assumption used in performing the last regular
4 actuarial valuation of the transferring plan, except that in no
5 event shall the transferred amount be less than the employee's
6 accumulated contributions on deposit with the transferring plan;

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

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

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

22 104.1095. 1. Notwithstanding any law in chapter 104 or 105
23 to the contrary, if the actuary for a system created under
24 section 104.020 or 104.320 determines either (1) that such system
25 has a funded ratio below fifty percent for three consecutive plan
26 years or (2) that such system has a funded ratio below sixty
27 percent and is not meeting one hundred percent of the actuarially
28 required contribution payment, then such system's actuary shall

1 prepare an accelerated contribution schedule based upon a
2 descending amortization period for inclusion in the actuarial
3 valuation for such system.

4 2. Notwithstanding any law in chapter 104 or 105 to the
5 contrary, no system created under section 104.020 or 104.320
6 shall adopt or implement any additional benefit increase,
7 supplement, enhancement, lump sum benefit payments to
8 participants, or cost-of-living adjustment beyond the current
9 plan provisions in effect prior to August 28, 2006 unless such
10 system's actuary determines that the funded ratio of the system
11 prior to such adoption or implementation is at least eighty
12 percent and will not be less than seventy-five percent after such
13 adoption or implementation. The unfunded actuarial accrued
14 liabilities associated with benefit changes described in this
15 subsection shall be amortized over a period not to exceed fifteen
16 years for purposes of determining the contributions associated
17 with the adoption or implementation of any such benefit increase,
18 supplement or enhancement.

19 3. If any changes in actuarial assumptions are made that
20 result in a change in the funded ratio of a system created under
21 section 104.020 or 104.320, written justifications for the
22 changes in actuarial assumptions shall be on file at the office
23 of the system and shall be given to the joint committee on public
24 employee retirement. The written justifications shall be
25 attested to by a representative of such system's retained
26 actuarial firm.

27 104.1200. As used in sections 104.1200 to 104.1215, the
28 following terms mean:

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

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

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

22 104.1205. 1. The board of trustees of the Missouri state
23 employees' retirement system shall:

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

27 (2) Select a third-party administrator to provide such
28 services as the board determines to be necessary for the proper

1 administration of the defined contribution plan;

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

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

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

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

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

28 104.1215. Any outside employee who has participated in the

1 defined contribution plan established pursuant to sections
2 104.1200 to 104.1215 and who received contributions for at least
3 six years may elect to become a member of the Missouri state
4 employees' retirement system. Such employee shall:

5 (1) Make such election while actively employed in a
6 position that would otherwise be eligible for membership in the
7 Missouri state employees' retirement system except for the
8 provisions of sections 104.1200 to 104.1215;

9 (2) Participate in the year 2000 plan;

10 (3) Be considered to have met the service requirements
11 contained in section 104.1018;

12 (4) Not receive any credited service for service rendered
13 while a participant in such defined contribution plan;

14 (5) Forfeit any right to future participation in the
15 defined contribution plan after such election; and

16 (6) Not be eligible to receive credited service pursuant to
17 section 104.1090 based on service rendered while a participant in
18 such defined contribution plan.

19 105.660. The following words and phrases as used in
20 sections 105.660 to 105.685, unless a different meaning is
21 plainly required by the context, shall mean:

22 (1) "Actuarial valuation", a mathematical process which
23 determines plan financial condition and plan benefit cost;

24 (2) "Actuary", an actuary (i) who is a member of the
25 American Academy of Actuaries or who is an enrolled actuary under
26 the Employee Retirement Income Security Act of 1974 and (ii) who
27 is experienced in retirement plan financing;

28 (3) "Board", the governing board or decision-making body of

1 a plan that is authorized by law to administer the plan;

2 (4) "Defined benefit plan", a plan providing a definite
3 benefit formula for calculating retirement benefit amounts;

4 (5) "Defined contribution plan", a plan in which the
5 contributions are made to an individual retirement account for
6 each employee;

7 (6) "Funded ratio", the ratio of the actuarial value of
8 assets over its actuarial accrued liability;

9 (7) "Lump sum benefit plan", payment within one taxable
10 year of the entire balance to the participant from a plan;

11 [(3)] (8) "Plan", any retirement system established by the
12 state of Missouri or any political subdivision or instrumentality
13 of the state for the purpose of providing plan benefits for
14 elected or appointed public officials or employees of the state
15 of Missouri or any political subdivision or instrumentality of
16 the state;

17 [(4)] (9) "Plan benefit", the benefit amount payable from a
18 plan together with any supplemental payments from public funds;

19 [(5)] (10) "Substantial proposed change", a proposed change
20 in future plan benefits which would increase or decrease the
21 total contribution percent by at least one-quarter of one percent
22 of active employee payroll, or would increase or decrease a plan
23 benefit by five percent or more, or would materially affect the
24 actuarial soundness of the plan. In testing for such one-quarter
25 of one percent of payroll contribution increase, the proposed
26 change in plan benefits shall be added to all actual changes in
27 plan benefits since the last date that an actuarial valuation was
28 prepared.

1 105.665. 1. The legislative body or committee thereof
2 which determines the amount and type of plan benefits to be paid
3 shall, before taking final action on any substantial proposed
4 change in plan benefits, cause to be prepared a statement
5 regarding the cost of such change.

6 2. The cost statement shall be prepared by an actuary using
7 the methods used in preparing the most recent periodic actuarial
8 valuation for the plan and shall, without limitation by
9 enumeration, include the following:

10 (1) The level normal cost of plan benefits currently in
11 effect, which cost is expressed as a percent of active employee
12 payroll;

13 (2) The contribution for unfunded accrued liabilities
14 currently payable by the plan, which cost is expressed as a
15 percent of active employee payroll and shall be over a period not
16 to exceed [~~forty~~] thirty years;

17 (3) The total contribution rate expressed as a percent of
18 active employees payroll, which contribution rate shall be the
19 total of the normal cost percent plus the contribution percent
20 for unfunded accrued liabilities;

21 (4) A statement as to whether the legislative body is
22 currently paying the total contribution rate as defined in
23 subdivision (3) of this subsection;

24 (5) The total contribution rate expressed as a percent of
25 active employee payroll which would be sufficient to adequately
26 fund the proposed change in benefits;

27 (6) A statement as to whether such additional contributions
28 are mandated by the proposed change;

1 (7) A statement as to whether or not the proposed change
2 would in any way impair the ability of the plan to meet the
3 obligations thereof in effect at the time the proposal is made;

4 (8) All assumptions relied upon to evaluate the present
5 financial condition of the plan and all assumptions relied upon
6 to evaluate the impact of the proposed change upon the financial
7 condition of the plan, which shall be those assumptions used in
8 preparing the most recent periodic actuarial valuation for the
9 plan, unless the nature of the proposed change is such that
10 alternative assumptions are clearly warranted, and shall be made
11 and stated with respect to at least the following:

12 (a) Investment return;

13 (b) Pay increase;

14 (c) Mortality of employees and officials, and other persons
15 who may receive benefits under the plan;

16 (d) Withdrawal (turnover);

17 (e) Disability;

18 (f) Retirement ages;

19 (g) Change in active employee group size;

20 (9) The actuary shall certify that in the actuary's opinion
21 the assumptions used for the valuation produce results which, in
22 the aggregate, are reasonable;

23 (10) A description of the actuarial funding method used in
24 preparing the valuation including a description of the method
25 used and period applied in amortizing unfunded actuarial accrued
26 liabilities;

27 (11) The increase in the total contribution amount required
28 to adequately fund the proposed change in benefits, expressed in

1 annual dollars as determined by multiplying the increase in total
2 contribution rate by the active employee annual payroll used for
3 this valuation.

4 105.666. Each plan shall, in conjunction with its staff and
5 advisors, establish a board member education program, which shall
6 be in effect on or after January 1, 2007. The curriculum shall
7 include, at a minimum, education in the areas of duties and
8 responsibilities of board members as trustees, ethics, governance
9 process and procedures, pension plan design and administration of
10 benefits, investments including but not limited to the fiduciary
11 duties as defined under section 105.688, legal liability and
12 risks associated with the administration of a plan, sunshine law
13 requirements under chapter 610, RSMo, actuarial principles and
14 methods related to plan administration, and the role of staff and
15 consultants in plan administration. Board members appointed or
16 elected on a board on or after January 1, 2007, shall complete a
17 board member education program designated to orient new board
18 members in the areas described in this section within ninety days
19 of becoming a new board member. Board members who have served
20 one or more years shall attend at least two continuing education
21 programs each year in the areas described in this section.

22 105.667. 1. Any appointing authority, board member, or
23 employee shall be prohibited from receiving any gain or profit
24 from any funds or transaction of the plan, except benefits from
25 interest in investments common to all members of the plan, if
26 entitled thereto.

27 2. Any appointing authority, board member, or employee
28 accepting any political contribution, gratuity, or compensation

1 for the purpose of influencing his or her action with respect to
2 the investment of the funds of the system shall thereby forfeit
3 his or her office and in addition thereto be subject to the
4 penalties prescribed for bribery.

5 3. Any trustee, employee, or participant of a plan
6 convicted of a plan-related felony after August 28, 2006, that is
7 determined by a court of law to have been directly committed in
8 connection with the member's duties as either a trustee,
9 employee, or participant of a plan shall not be eligible to
10 receive any retirement benefits from the respective plan.

11 105.684. 1. Notwithstanding any law to the contrary, no
12 plan shall adopt or implement any additional benefit increase,
13 supplement, enhancement, lump sum benefit payments to
14 participants, or cost-of-living adjustment beyond current plan
15 provisions in effect prior to August 28, 2006, unless the plan's
16 actuary determines that the funded ratio prior to such adoption
17 or implementation is at least eighty percent and will not be less
18 than seventy-five percent after such adoption or implementation.

19 2. The unfunded actuarial accrued liabilities associated
20 with benefit changes described in this section shall be amortized
21 over a period not to exceed twenty years for purposes of
22 determining the contributions associated with the adoption or
23 implementation of any such benefit increase, supplement, or
24 enhancement.

25 3. Any plan with a funded ratio below sixty percent shall
26 have the actuary prepare an accelerated contribution schedule
27 based on a descending amortization period for inclusion in the
28 actuarial valuation.

1 4. Any plan, whose actuary determines that the plan has a
2 funded ratio below sixty percent and the political subdivision
3 has failed to make one hundred percent of the actuarially
4 required contribution payment for three successive plan years
5 with a descending funded ratio for three successive plan years
6 after August 28, 2006, shall be deemed delinquent in the
7 contribution payment and such delinquency in the contribution
8 payment shall constitute a first lien on the funds of the
9 political subdivision, and the board as defined under section
10 105.660 is authorized to compel payment by application for a writ
11 of mandamus; and in addition, such delinquency in the
12 contribution payment shall be certified by the board to the state
13 treasurer and director of the department of revenue. Until such
14 delinquency in the contribution payment, together with regular
15 interest, is satisfied, the state treasurer and director of the
16 department of revenue shall withhold seventy-five percent of the
17 certified contribution deficiency from the total moneys due the
18 political subdivision from the state.

19 5. Nothing in this section shall apply to any plan
20 established under section 104.020 or 104.320, RSMo, or under
21 chapter 70, RSMo, or chapter 476, RSMo.

22 105.935. 1. [Any] This section is applicable to overtime,
23 including holiday and compensatory leave time, earned under state
24 and federal laws. This section is applicable to nonexempt
25 employees under the provisions of the Fair Labor Standards Act
26 who are employed in positions providing direct client care or
27 custody in facilities operating on a twenty-four hour seven-day-
28 a-week basis in the department of corrections, the department of

1 mental health, the division of youth services of the department
2 of social services, and the veterans commission of the department
3 of public safety.

4 2. A state employee who has accrued any [overtime]
5 compensatory time hours may request payment for the accumulated
6 compensatory time or may choose to use those hours as
7 compensatory leave time provided that the leave time is available
8 and agreed upon by both the state employee and his or her
9 supervisor.

10 [2. A state employee who is a nonexempt employee pursuant
11 to the provisions of the Fair Labor Standards Act shall be
12 eligible for payment of overtime in accordance with subsection 4
13 of this section. A nonexempt state employee who works on a
14 designated state holiday shall be granted equal compensatory time
15 off duty or shall receive, at his or her choice, the employee's
16 straight time hourly rate in cash payment. A nonexempt state
17 employee shall be paid in cash for overtime unless the employee
18 requests compensatory time off at the applicable overtime rate.
19 As used in this section, the term "state employee" means any
20 person who is employed by the state and earns a salary or wage in
21 a position normally requiring the actual performance by him or
22 her of duties on behalf of the state, but shall not include any
23 employee who is exempt under the provisions of the Fair Labor
24 Standards Act or any employee of the general assembly.]

25 3. Beginning on January 1, 2006, and annually thereafter
26 each department shall pay all nonexempt state employees in full
27 for any overtime hours accrued during the previous calendar year
28 which have not already been paid or used in the form of

1 compensatory leave time. All nonexempt state employees shall
2 have the option of retaining up to a total of eighty compensatory
3 time hours.

4 4. [The provisions of subsection 2 of this section shall
5 only apply to nonexempt state employees who are otherwise
6 eligible for compensatory time under the Fair Labor Standards
7 Act, excluding employees of the general assembly. Any nonexempt
8 state] An employee requesting cash payment for [overtime worked]
9 compensatory time earned shall notify such employee's department
10 in writing of such decision and state the number of hours, no
11 less than twenty, for which payment is desired. The department
12 shall pay the employee within the calendar month following the
13 month in which a valid request is made. Nothing in this section
14 shall be construed as creating a new compensatory benefit for
15 state employees.

16 5. Each department shall, by November first of each year,
17 notify the commissioner of administration, the house budget
18 committee chair, and the senate appropriations committee chair of
19 the amount of overtime paid in the previous fiscal year and an
20 estimate of overtime to be paid in the current fiscal year. The
21 fiscal year estimate for overtime pay to be paid by each
22 department shall be designated as a separate line item in the
23 appropriations bill for that department. The provisions of this
24 subsection shall become effective July 1, 2005.

25 6. Each state department shall report quarterly to the
26 house of representatives budget committee chair, the senate
27 appropriations committee chair, and the commissioner of
28 administration the cumulative number of accrued overtime hours

1 for department employees, the dollar equivalent of such overtime
2 hours, the number of authorized full-time equivalent positions
3 and vacant positions, the amount of funds for any vacant
4 positions which will be used to pay overtime compensation for
5 employees with full-time equivalent positions, and the current
6 balance in the department's personal service fund.

7 [7. This section is applicable to overtime earned under the
8 Fair Labor Standards Act. This section is applicable to
9 employees who are employed in nonexempt positions providing
10 direct client care or custody in facilities operating on a
11 twenty-four-hour seven-day-a-week basis in the department of
12 corrections, the department of mental health, the division of
13 youth services of the department of social services, and the
14 veterans commission of the department of public safety.]

15 320.320. 1. A volunteer firefighter serving a rural,
16 volunteer or subscription fire department or organization is
17 serving the state of Missouri in an official capacity as a fire
18 protection volunteer and is hereby declared to be a public safety
19 officer of the state of Missouri serving without wages, salary or
20 certain other employee-type fringe benefits described in
21 subsection 3 of this section.

22 2. The designation of a volunteer firefighter as a public
23 safety officer of the state of Missouri in subsection 1 of this
24 section does not entitle a volunteer firefighter to any rights,
25 privileges or benefits provided to an employee or official of the
26 state of Missouri, including retirement benefits and
27 participation in the state legal defense fund, except as provided
28 in subsection 3 of this section.

1 3. Notwithstanding the provisions of subsection 2 of this
2 section, any rural, volunteer or subscription fire department or
3 organization, or volunteer fire protection association as defined
4 in section 320.300, may provide life insurance, accident,
5 sickness, health, disability, annuity, [length of service,
6 retirement, pension] defined contribution benefit and other
7 employee-type fringe benefits, subject to the provisions of
8 section 70.615, RSMo, for volunteer firefighters who are members
9 of any such department, organization or association and such
10 other benefits for their spouses and eligible unemancipated
11 children as the governing board deems appropriate, either through
12 a contributory or noncontributory plan, or both. For purposes of
13 this section, "eligible unemancipated child" means a natural or
14 adopted child of an insured, or a stepchild of an insured who is
15 domiciled with the insured, who is less than twenty-three years
16 of age, who is not married, not employed on a full-time basis,
17 not maintaining a separate residence except for full-time
18 students in an accredited school or institution of higher
19 learning, and who is dependent on parents or guardians for at
20 least fifty percent of his or her support. The type and extent
21 of such benefits shall be determined by the governing board of
22 the department, organization or association, whichever is
23 applicable. The provision and receipt of such benefits shall not
24 make the recipient an employee of the district, association or
25 organization. Directors or board members who are also volunteer
26 firefighters may receive such benefits while serving as a
27 director or board member of the district, association or
28 organization.

1 321.696. Notwithstanding any other provision of law,
2 effective January 1, 2007, defined benefit pension plans shall
3 not be established by any district for volunteer members or
4 district board of directors except under the provisions of
5 chapter 70, RSMo, unless the new plan is a result of
6 consolidating the plans of two or more fire protection districts
7 that existed prior to January 1, 2006.

8 321.800. Any board of directors established under the
9 provisions of this chapter providing a defined benefit pension
10 plan for its salaried members shall be administered by a separate
11 five member board of trustees which shall consist of the three
12 member board of directors and two salaried firefighters elected
13 by the members.

14 476.682. 1. Any person assigned as a senior judge or
15 senior commissioner pursuant to section 26 of article V of the
16 Missouri Constitution and who has served in this state an
17 aggregate of at least two years, continuously or otherwise, as a
18 judge or commissioner, shall receive for each day of service an
19 amount equal to fifty percent of the current annual salary of the
20 office from which the judge or senior commissioner retired
21 attributable to one day of service. Notwithstanding the
22 foregoing, any judge or commissioner who has retired prior to
23 August 28, 1999, who serves subsequent to said date as a senior
24 judge or commissioner may receive compensation pursuant to this
25 section regardless of their length of service; and no senior
26 judge or senior commissioner shall receive less daily
27 compensation than an amount, that when added to the daily amount
28 of annual compensation payable pursuant to sections 476.450 to

1 476.595, is less than one hundred percent of the current annual
2 salary of the office from which the judge or commissioner retired
3 attributable to one day of service. For purposes of this
4 subsection, one year shall equal two hundred thirty-five days. No
5 senior judge or senior commissioner shall receive compensation
6 pursuant to this subsection in a total amount that when such
7 compensation is added to the annual compensation, salary or
8 retirement compensation payable pursuant to sections 476.450 to
9 476.595, the sum is greater than the current annual salary of the
10 office from which the judge or commissioner retired.

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

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

28 4. On or before the twentieth day of each month the state

1 courts administrator shall certify the period of service reported
2 by each senior judge or senior commissioner pursuant to
3 subsection 3 of this section to the Missouri state employees'
4 retirement system. [Any senior judge or senior commissioner]
5 After accumulating two hundred thirty-five days of such service,
6 such senior judge or senior commissioner shall receive credit for
7 one year of judicial service for purposes of sections 476.520 and
8 476.545, and subsequently shall receive credit for one year of
9 judicial service for each additional period of two hundred
10 thirty-five days of service certified by the state courts
11 administrator to the Missouri state employees' retirement system,
12 except, if a pro rata portion of two hundred thirty-five days
13 would cause the senior judge's or senior commissioner's total
14 judicial service to equal twelve years, the Missouri state
15 employees' retirement system shall credit the service at the time
16 the pro rata portion is certified. [Upon receipt of such
17 certification,] The retirement benefit of the senior judge or
18 senior commissioner shall be recalculated [to reflect the
19 attainment of twelve years; the adjusted benefit will become
20 effective the first of the month following certification] and
21 increased prospectively after receiving each additional year of
22 service or pro rata portion of a year if such pro rata portion
23 would cause such senior judge or commissioner's total service to
24 equal twelve years. In no event shall such senior judge or
25 commissioner receive service credit after such senior judge or
26 commissioner's total judicial service equals twelve years.

27 5. Notwithstanding the provisions of section 476.510 or
28 476.565, no person shall receive benefits pursuant to the

1 provisions of this section if the person is engaged in the
2 private practice of law or doing a law business.

3 6. The judicial conference of the state of Missouri shall
4 annually report on the use of senior judges and senior
5 commissioners pursuant to this section. Such report shall
6 include at least the number of senior judges and senior
7 commissioners assigned, the number of cases assigned and disposed
8 of by senior judges and senior commissioners, and the
9 expenditures made for that purpose.

10 [32.051. The director of the department of
11 revenue shall make an estimate of the amount of tax
12 revenues generated under the provisions of this section
13 and section 143.072, RSMo, and section 144.800, RSMo.
14 The director of the department of revenue shall also
15 make a separate accounting of the amount of income tax
16 refunds and reduced individual income tax revenues
17 necessitated by decisions of the Supreme Courts of the
18 United States and the state of Missouri, relating to
19 taxation of pension benefits. If the director of the
20 department of revenue determines the amount of revenues
21 finally generated under the provisions of this section
22 and section 143.072, RSMo, and section 144.800, RSMo,
23 exceeds the amount of individual income taxes collected
24 on United States government retirement benefits and any
25 interest accruing thereon, which the state is obligated
26 to refund and the amount of reduced individual income
27 tax revenues pursuant to the decisions of the Supreme
28 Courts of the United States and the state of Missouri,
29 he shall deposit the excess amount into the budget
30 stabilization fund created pursuant to section 33.285,
31 RSMo. The director of the department of revenue shall
32 quarterly submit in writing a report to the senate and
33 the house of representatives, and the commissioner of
34 administration, describing the methodology used in
35 arriving at the estimate of the amount of tax revenues
36 generated under the provisions of this section and
37 section 143.072, RSMo, and section 144.800, RSMo, and
38 the amount of income tax refunds and reduced individual
39 income tax revenues issued to taxpayers pursuant to the
40 Supreme Courts' decisions.]

41
42 [86.340. The accrued liability contribution
43 should be discontinued as soon as the accumulated

1 reserve in the general fund shall equal the present
2 value, as actuarially computed and approved by the
3 board of trustees, of the total liability of said fund,
4 less the present value, computed on the basis of the
5 normal contribution rate then in force, of the
6 prospective normal contributions to be received on
7 account of persons who are at that time members.]
8

9 [104.621. All retirement systems created in this
10 chapter shall develop an affirmative action plan for
11 the utilization of minority and women money managers,
12 brokers, and investment counselors. Such retirement
13 systems shall report their progress annually to the
14 joint committee on public employee retirement.]
15

16 [105.268. 1. During school years 1999-2000
17 through 2001-02 any employee of the state of Missouri
18 who works in a metropolitan school district or an urban
19 school district containing the greater part of the
20 population of a city which has more than three hundred
21 thousand inhabitants and who is a volunteer tutor in a
22 formal tutoring or mentoring pilot program in language
23 arts at a public elementary school in such district may
24 be granted leave from the employee's duties, without
25 loss of time, pay, regular leave, impairment of
26 efficiency rating or any other rights or benefits to
27 which such person would otherwise be entitled for
28 periods during which such person is engaged in such
29 volunteer tutoring activities at a public elementary
30 school. Leave for such volunteer tutoring activities
31 shall not be granted in excess of one-half of the hours
32 spent tutoring, for activities conducted at times
33 outside of the employee's normal work day, for more
34 than forty hours in any one calendar year, or more than
35 two hours in any one day. The principal of the school
36 shall give such an employee a signed statement by such
37 principal verifying the time such employee was engaged
38 in such tutoring activities.

39 2. To be eligible to participate in a volunteer
40 tutoring program as provided in subsection 1 of this
41 section, the employee shall:

42 (1) Be a full-time state employee with a
43 performance appraisal of highly successful or
44 outstanding;

45 (2) Have the approval of the employee's
46 supervisor or supervisors;

47 (3) Not be absent during heavy workload periods
48 or create scheduling conflicts with other state
49 employees or result in any overtime hours for the
50 employee or other state employees;

51 (4) Establish a set schedule, including traveling

1 time to the school, which shall not be for more than
2 two hours per day or more than one day per week; and

3 (5) Submit the statement issued by the principal
4 verifying the time the employee was engaged in
5 volunteer tutoring activities.

6 3. Every state agency that has state employees
7 participating in a formal tutoring or mentoring program
8 as provided in subsection 1 of this section shall
9 submit a summary of the statements received pursuant to
10 subdivision (5) of subsection 2 of this section to the
11 Missouri community service commission, created in
12 section 26.605, RSMo. Such summary shall include the
13 number of employees participating, the number of hours
14 that all participants engaged in volunteer tutoring and
15 a list of the schools where the employees volunteered.

16 4. The Missouri community service commission
17 shall submit an annual report to the general assembly
18 with the names of the state agencies submitting the
19 summaries required by subsection 3 of this section and
20 a compilation of all the information contained on such
21 summaries.

22 5. The school board of a participating district
23 shall evaluate the programs and make recommendations to
24 the general assembly by December 15, 2001, on the
25 continuance, expansion or termination of the programs
26 and any recommended changes to the programs.

27 6. The provisions of this section shall expire on
28 June 30, 2002.]
29
30