

SECOND REGULAR SESSION

HOUSE BILL NO. 1628

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SMITH (118).

Read 1st time February 2, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4860L.01I

AN ACT

To repeal section 104.040, RSMo, and to enact in lieu thereof two new sections relating to the Missouri department of transportation and highway patrol retirement system.

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

Section A. Section 104.040, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 104.005 and 104.040, to read as follows:

104.005. 1. Notwithstanding any other provisions of this chapter to the contrary, the board of trustees of the Missouri state employees' retirement system shall assume control over all assets and liabilities and be vested with the powers and duties specified in this chapter or such other powers as may be necessary or proper to enable it, its officers, employees, and agents to carry out fully and effectively all the provisions in this chapter that pertain to the Missouri department of transportation and highway patrol employees' retirement system no later than December 31, 2006. For the purposes of this section, "assets" shall not include real and personal property located within the Missouri department of transportation and retirement system, which shall remain the property of the Missouri highway and transportation commission after said transfer to the Missouri state employee's retirement system.

2. Upon the effective date of the transfer of authority to the board of trustees of the Missouri state employees' retirement system under this section, such system shall administer the Missouri department of transportation and highway patrol employees' retirement system. The transfer of authority shall not alter the statutory provisions

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

16 applicable to Missouri department of transportation and highway patrol employees'
17 retirement system pertaining to retirement, life insurance, medical, or disability benefits.

18 **3. Beginning at least ninety days before calendar year 2008, the board of trustees**
19 **of the Missouri state employees' retirement system shall determine contribution rates for**
20 **members of the Missouri state employees' retirement system, nonuniformed members of**
21 **the Missouri department of transportation and highway patrol employees' retirement**
22 **system, and uniformed members of the Missouri department of transportation and**
23 **highway patrol employees' retirement system at the same contribution rate as the Missouri**
24 **state employees' retirement system.**

25 **4. During the period between September 1, 2006, and September 1, 2009, the**
26 **superintendent of the Missouri state highway patrol and the director of the Missouri**
27 **department of transportation, or their successors, shall be members of the board of**
28 **trustees of the Missouri state employees' retirement system and shall have the same duties**
29 **and responsibilities as other members of the board of trustees of the Missouri state**
30 **employees' retirement system as provided by law and the Missouri state employees'**
31 **retirement system board policy. The Missouri highway and transportation commission**
32 **shall be authorized to sell pension obligation bonds in an amount not to exceed seven**
33 **hundred eighty million dollars. Proceeds from said bonds shall be deposited with and**
34 **become assets of the Missouri state employees' retirement system. Debt retirement of said**
35 **bonds shall be the sole responsibility of the Missouri highway and transportation**
36 **commission, with a payoff duration not to exceed twenty years.**

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

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

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

17 4. Any member who had served in the armed forces of the United States prior to
18 becoming a member, or who is otherwise ineligible pursuant to subsection 1 of this section or
19 other provisions of this chapter, and who became a member after his or her discharge under
20 honorable conditions may elect, prior to retirement, to purchase all of his or her creditable prior
21 service equivalent to such service in the armed forces, but not to exceed four years, if the
22 member is not receiving and is not eligible to receive retirement credits or benefits from any
23 other public or private retirement plan for the service to be purchased, and an affidavit so stating
24 shall be filed by the member with the retirement system. However, if the member is eligible to
25 receive retirement credits in a United States military service retirement system, the member shall
26 be permitted to purchase creditable prior service equivalent to his or her service in the armed
27 services, but not to exceed four years, any other provision of law to the contrary notwithstanding.
28 The purchase shall be effected by the member's paying to the retirement system an amount equal
29 to what would have been contributed by the state in his or her behalf had the member been a
30 member for the period for which the member is electing to purchase credit and had his or her
31 compensation during such period of membership been the same as the annual salary rate at which
32 the member was initially employed as a member, with the calculations based on the contribution
33 rate in effect on the date of his or her employment with simple interest calculated from date of
34 employment from which the member could first receive creditable service to the date of election
35 pursuant to this subsection. The payment shall be made over a period of not longer than two
36 years, measured from the date of election, and with simple interest on the unpaid balance.
37 Payments made for such creditable prior service pursuant to this subsection shall be treated by
38 the retirement system as would contributions made by the state and shall not be subject to any
39 prohibition on member contributions or refund provisions in effect at the time of enactment of
40 this subsection.

41 5. Any uniformed member of the highway patrol who served as a certified police officer
42 prior to becoming a member may elect, prior to retirement, to purchase all of his or her creditable
43 prior service equivalent to such service in the police force, but not to exceed four years, if he or
44 she is not receiving and is not eligible to receive credits or benefits from any other public or
45 private retirement plan for the service to be purchased, and an affidavit so stating shall be filed
46 by the member with the retirement system. The purchase shall be effected by the member's
47 paying to the retirement system an amount equal to what would have been contributed by the
48 state in his or her behalf had he or she been a member of the system for the period for which the
49 member is electing to purchase credit and had his compensation during such period been the

50 same as the annual salary rate at which the member was initially employed as a member, with
51 the calculations based on the contribution rate in effect on the date of his or her employment with
52 simple interest calculated from the date of employment from which the member could first
53 receive creditable service to the date of election pursuant to the provisions of this section. The
54 payment shall be made over a period of not longer than two years, measured from the date of
55 election, and with simple interest on the unpaid balance. Payments made for such creditable
56 prior service pursuant to the provisions of this section shall be treated by the retirement system
57 as would contributions made by the state and shall not be subject to any prohibition on member
58 contributions or refund provisions in effect at the time of enactment of this section.

59 6. Any [uniformed] member of the [highway patrol] **system under section 104.030 or**
60 **section 104.170 who is an active employee and** who served as a nonfederal full-time public
61 employee in this state prior to becoming a member may elect, prior to retirement, to purchase all
62 of his or her creditable prior service equivalent to such service, but not to exceed four years, if
63 he or she is not receiving and is not eligible to receive credits or benefits from any other public
64 plan for the service to be purchased[, and an affidavit so stating shall be filed by the member
65 with the retirement system]. The purchase shall be effected by the member's paying to the
66 retirement system an amount equal to what would have been contributed by the state in his or
67 her behalf had he or she been a member of the system for the period for which the member is
68 electing to purchase credit and had his compensation during such period been the same as the
69 annual salary rate at which the member was initially employed as a member, with the
70 calculations based on the contribution rate in effect on the date of his or her employment with
71 simple interest calculated from the date of employment from which the member could first
72 receive creditable service to the date of election pursuant to the provisions of this section. The
73 payment shall be made over a period of not longer than two years, measured from the date of
74 election, and with simple interest on the unpaid balance. Payments made for such creditable
75 prior service pursuant to the provisions of this section shall be treated by the retirement system
76 as would contributions made by the state and shall not be subject to any prohibition on member
77 contributions or refund provisions in effect at the time of enactment of this section. **All**
78 **purchase payments under this subsection must be completed prior to retirement or prior**
79 **to termination of employment. If a member who purchased creditable service under this**
80 **subsection dies prior to retirement, the surviving spouse may, upon written request, receive**
81 **a refund of the amount contributed for such purchase of such creditable service, provided**
82 **the surviving spouse is not entitled to survivorship benefits payable under section 104.110**
83 **or who are entitled to a deferred annuity under section 104.035 are not eligible to purchase**
84 **service under this subsection.**

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