

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1628
93RD GENERAL ASSEMBLY

Reported from the Committee on Retirement April 11, 2006 with recommendation that House Committee Substitute for House Bill No. 1628 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

4860L.03C

AN ACT

To repeal section 104.040, RSMo, and to enact in lieu thereof two new sections relating to the 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Section A. Section 104.040, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 104.005 and 104.040, to read as follows: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. Notwithstanding any other provisions of this chapter to the contrary, effective July 1, 2007, the term "board" as used in this chapter as applicable to the closed plan and the year 2000 plan shall exclusively mean the board of trustees of the Missouri state employees' retirement system. Effective July 1, 2007, the board of trustees of the highways and transportation employees' and the highway patrol employees' retirement system shall no longer have any powers, duties, or obligation to administer the highways and transportation employees' and the highway patrol employees' retirement system, and such board shall be dissolved as of that date. Effective July 1, 2007, the term "executive director" as used in this chapter as applicable to the closed plan and the year 2000 plan that pertains to the highways and transportation employees' and the highway patrol employees' retirement system shall exclusively mean the executive director of the Missouri state employees' retirement system. Such executive director shall not be a member of or be compensated by the highways and transportation employees' and the highway patrol employees' retirement system but shall take all actions necessary in accordance with this

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.

15 **chapter to administer the highways and transportation employees' and the highway patrol**
16 **employees' retirement system.**

2 104.040. 1. Any member shall be entitled to creditable prior service within the meaning
3 of sections 104.010 to [104.270] **104.272** for all service in the United States Army, Navy, or
4 other armed services of the United States, or any women's auxiliary thereof in time of active
5 armed warfare, if such member was a state employee immediately prior to his or her entry into
6 the armed services and became an employee of the state within ninety days after termination of
7 such service by an honorable discharge or release to inactive status; the requirement of section
8 104.010 of duties during not less than one thousand hours for status as an "employee" shall not
9 apply to persons who apply for creditable prior service pursuant to the provisions of this section.

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

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

18 4. Any member who had served in the armed forces of the United States prior to
19 becoming a member, or who is otherwise ineligible pursuant to subsection 1 of this section or
20 other provisions of this chapter, and who became a member after his or her discharge under
21 honorable conditions may elect, prior to retirement, to purchase all of his or her creditable prior
22 service equivalent to such service in the armed forces, but not to exceed four years, if the
23 member is not receiving and is not eligible to receive retirement credits or benefits from any
24 other public or private retirement plan for the service to be purchased, and an affidavit so stating
25 shall be filed by the member with the retirement system. However, if the member is eligible to
26 receive retirement credits in a United States military service retirement system, the member shall
27 be permitted to purchase creditable prior service equivalent to his or her service in the armed
28 services, but not to exceed four years, any other provision of law to the contrary notwithstanding.
29 The purchase shall be effected by the member's paying to the retirement system an amount equal
30 to what would have been contributed by the state in his or her behalf had the member been a
31 member for the period for which the member is electing to purchase credit and had his or her
32 compensation during such period of membership been the same as the annual salary rate at which
33 the member was initially employed as a member, with the calculations based on the contribution
34 rate in effect on the date of his or her employment with simple interest calculated from date of
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 sections 104.010 to**
60 **104.272 who is an active employee and** who served as a nonfederal full-time public employee
61 in this state prior to becoming a member may elect, prior to retirement, to purchase all of his or
62 her creditable prior service equivalent to such service, but not to exceed four years, if he or she
63 is not receiving and is not eligible to receive credits or benefits from any other public plan for
64 the service to be purchased[, and an affidavit so stating shall be filed by the member with the
65 retirement system]. The purchase shall be effected by the member's paying to the retirement
66 system an amount equal to what would have been contributed by the state in his or her behalf had
67 he or she been a member of the system for the period for which the member is electing to
68 purchase credit and had his compensation during such period been the same as the annual salary
69 rate at which the member was initially employed as a member, with the calculations based on
70 the contribution rate in effect on the date of his or her employment with simple interest

71 calculated from the date of employment from which the member could first receive creditable
72 service to the date of election pursuant to the provisions of this section. The payment shall be
73 made over a period of not longer than two years, measured from the date of election, and with
74 simple interest on the unpaid balance. Payments made for such creditable prior service pursuant
75 to the provisions of this section shall be treated by the retirement system as would contributions
76 made by the state and shall not be subject to any prohibition on member contributions or refund
77 provisions in effect at the time of enactment of this section. **All purchase payments under this**
78 **subsection shall be completed prior to retirement or prior to termination of employment.**
79 **If a member who purchased creditable service under this subsection dies prior to**
80 **retirement, the surviving spouse may, upon written request, receive a refund of the amount**
81 **contributed for such purchase of such creditable service. The surviving spouse shall not**
82 **be eligible for a refund under this subsection if he or she is entitled to survivorship benefits**
83 **payable under this section. A member who is entitled to a deferred annuity under section**
84 **104.035 shall be ineligible to purchase service under this subsection.**

✓