

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 765
94TH GENERAL ASSEMBLY

Reported from the Special Committee on Retirement March 27, 2007 with recommendation that House Committee Substitute for House Bill No. 765 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

1983L.02C

AN ACT

To repeal sections 104.010, 104.312, 104.320, 104.344, 104.352, 104.354, 104.380, 104.395, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1039, 104.1051, 104.1072, 104.1087, and 104.1090, RSMo, and to enact in lieu thereof twenty new sections relating to state employee retirement.

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

Section A. Sections 104.010, 104.312, 104.320, 104.344, 104.352, 104.354, 104.380, 104.395, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1039, 104.1051, 104.1072, 104.1087, and 104.1090, RSMo, are repealed and twenty new sections enacted in lieu thereof, to be known as sections 104.010, 104.312, 104.320, 104.344, 104.352, 104.354, 104.380, 104.395, 104.606, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1039, 104.1051, 104.1072, 104.1087, and 104.1090, to read as follows:

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

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

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

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

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.

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

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

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

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

28 **The board of each system may promulgate rules for purposes of calculating average**
29 **compensation and other retirement provisions to accommodate for any state payroll system**
30 **in which compensation is received on a monthly, semimonthly, biweekly, or other basis;**

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

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

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

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

38 (12) "Compensation":

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

45 termination of employment in accordance with a state payroll system adopted on or after January
46 1, 2000, or any other one-time payments made as a result of such payroll system;

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

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

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

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

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

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

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

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

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

81 (20) "Employee":

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

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

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

101 (b) Any person who **is not a retiree and** has performed services in the employ of the
102 general assembly or either house thereof, or any employee of any member of the general
103 assembly while acting in the person's official capacity as a member, and whose position does not
104 normally require the person to perform duties during at least one thousand **forty** hours per year,
105 with a month of service being any monthly pay period in which the employee was paid for
106 full-time employment for that monthly period; **except that persons described in this**
107 **paragraph shall not include any such persons who are employed on or after August 28,**
108 **2007, and who have not previously been employed in such position;**

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

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

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

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

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

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

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

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

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

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

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

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

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

144 (31) "Normal retirement age", an employee's attainment of sixty-five years of age and
145 the completion of four years of creditable service or the attainment of age sixty-five years of age
146 and the completion of five years of creditable service by a member who has terminated
147 employment and is entitled to a deferred normal annuity or the member's attainment of age sixty
148 and the completion of fifteen years of creditable service, except that normal retirement age for
149 uniformed members of the highway patrol shall be fifty-five years of age and the completion of
150 four years of creditable service and uniformed employees of the water patrol shall be fifty-five
151 years of age and the completion of four years of creditable service or the attainment of age
152 fifty-five and the completion of five years of creditable service by a member of the water patrol

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

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

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

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

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

169 (36) "System" or "retirement system", the [highways and transportation employees' and
170 highway patrol retirement system] **Missouri department of transportation and highway
171 patrol employees' retirement system**, as created by sections 104.010 to 104.270, or sections
172 104.601 to 104.800, or the Missouri state employees' retirement system as created by sections
173 104.320 to 104.800;

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

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

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

183 2. Benefits paid pursuant to the provisions of this chapter shall not exceed the limitations
184 of Internal Revenue Code Section 415, the provisions of which are hereby incorporated by
185 reference. **Notwithstanding any other law to the contrary, the board of trustees may
186 establish a benefit plan under Section 415(m) of the Internal Revenue Code of 1986, as
187 amended. Such plan shall be created solely for the purposes described in Section
188 415(m)(3)(A) of the Internal Revenue Code of 1986, as amended. The board of trustees**

189 **may promulgate regulations necessary to implement the provisions of this subsection and**
190 **to create and administer such benefit plan.**

104.312. 1. The provisions of subsection 2 of section 104.250, subsection 2 of section
2 104.540, subsection 2 of section 287.820, RSMo, and section 476.688, RSMo, to the contrary
3 notwithstanding, any pension, annuity, benefit, right, or retirement allowance provided pursuant
4 to this chapter, chapter 287, RSMo, or chapter 476, RSMo, is marital property and after August
5 28, 1994, a court of competent jurisdiction may divide the pension, annuity, benefits, rights, and
6 retirement allowance provided pursuant to this chapter, chapter 287, RSMo, or chapter 476,
7 RSMo, between the parties to any action for dissolution of marriage. A division of benefits order
8 issued pursuant to this section:

9 (1) Shall not require the applicable retirement system to provide any form or type of
10 annuity or retirement plan not selected by the member and not normally made available by that
11 system;

12 (2) Shall not require the applicable retirement system to commence payments until the
13 member submits a valid application for an annuity and the annuity becomes payable in
14 accordance with the application;

15 (3) Shall identify the monthly amount to be paid to the alternate payee, which shall be
16 expressed as a percentage and which shall not exceed fifty percent of the amount of the member's
17 annuity accrued during all or part of the time while the member and alternate payee were
18 married; and which shall be based on the member's vested annuity on the date of the dissolution
19 of marriage or an earlier date as specified in the order, which amount shall be adjusted
20 proportionately if the member's annuity is reduced due to early retirement **or the member's**
21 **annuity is reduced under section 104.395 under an annuity option in which the member**
22 **named the alternative payee as beneficiary prior to the dissolution of marriage or under**
23 **section 104.090 under an annuity option in which the member on or after August 28, 2007,**
24 **named the alternative payee as beneficiary prior to the dissolution of marriage,** and the
25 percentage established shall be applied to the pro rata portion of any lump sum distribution
26 pursuant to subsection 6 of section 104.335, accrued during the time while the member and
27 alternate payee were married;

28 (4) Shall not require the payment of an annuity amount to the member and alternate
29 payee which in total exceeds the amount which the member would have received without regard
30 to the order;

31 (5) Shall provide that any benefit formula increases, additional years of service,
32 increased average compensation or other type of increases accrued after the date of the
33 dissolution of marriage shall accrue solely to the benefit of the member; except that on or after
34 September 1, 2001, any annual benefit increase shall not be considered to be an increase accrued

35 after the date of termination of marriage and shall be part of the monthly amount subject to
36 division pursuant to any order issued after September 1, 2001;

37 (6) Shall terminate upon the death of either the member or the alternate payee, whichever
38 occurs first;

39 (7) Shall not create an interest which is assignable or subject to any legal process;

40 (8) Shall include the name, address and Social Security number of both the member and
41 the alternate payee, and the identity of the retirement system to which it applies;

42 (9) Shall be consistent with any other division of benefits orders which are applicable
43 to the same member.

44 2. A system established by this chapter shall provide the court having jurisdiction of a
45 dissolution of marriage proceeding or the parties to the proceeding with information necessary
46 to issue a division of benefits order concerning a member of the system, upon written request
47 from either the court, the member or the member's spouse, which cites this section and identifies
48 the case number and parties.

49 3. A system established by this chapter shall have the discretionary authority to reject a
50 division of benefits order for the following reasons:

51 (1) The order does not clearly state the rights of the member and the alternate payee;

52 (2) The order is inconsistent with any law governing the retirement system.

53 4. The amount paid to an alternate payee under an order issued pursuant to this section
54 shall be based on [what the member would have received had the member elected coverage under
55 the closed plan pursuant to section 104.1015 regardless of the actual election made by the
56 member pursuant to that section] **the plan the member was in on the date of the dissolution**
57 **of marriage**; except that any annual benefit increases subject to division shall be based on the
58 actual annual benefit increases received after the retirement plan election.

104.320. 1. For the purpose of providing retirement income and other benefits to
2 employees of the state, there is hereby created and established a retirement system which shall
3 be a body corporate and an instrumentality of the state, which shall be under the management of
4 a board of trustees herein described, and shall be known as the "Missouri State Employees'
5 Retirement System". In the system shall be vested the powers and duties specified in sections
6 104.010 and 104.320 to 104.800 and such other powers as may be necessary or proper to enable
7 it, its officers, employees, and agents to carry out fully and effectively all the purposes of sections
8 104.010 and 104.320 to 104.800.

9 2. **Notwithstanding any provision of law to the contrary, the system is also**
10 **authorized and empowered to provide services in connection with medical benefit funds**
11 **established or maintained for state employees, retirees, and their dependents who are**
12 **participants in a state medical plan administered by the Missouri consolidated health care**

13 plan established under section 103.005, RSMo, or other medical benefit plans established
14 or maintained by the state for its employees, retirees, and their dependents. All such plans
15 described in this section shall be welfare plans referred to as "state medical plans". The
16 services to be provided by the system shall include, but not be limited to, the investment
17 of assets of such state medical plans. Such services to be provided by the system shall be
18 provided under a trust agreement between the board, as trustee, and the state medical
19 plan, subject to approval by the board of trustees of the Missouri state employees'
20 retirement system and the state medical plan. The system shall be vested with the powers
21 and duties specified in section 104.010 and sections 104.320 to 104.1093 and such other
22 powers as may be necessary or proper to enable it, its officers, employees, and agents to
23 carry out fully and effectively all the purposes of this subsection. Whenever the system is
24 acting under section 104.010 and sections 104.320 to 104.1093 with respect to services
25 provided under this subsection, the provisions of such sections shall be read to apply to
26 services provided under this subsection and not to services provided under subsection 1 of
27 this section.

28 3. Notwithstanding any provision of law to the contrary, the board shall set up and
29 maintain a separate employee and retiree medical benefit trust for each state medical plan
30 that the system contracts with under subsection 2 of this section in which shall be placed
31 contributions made to the board by the state of Missouri, either directly or indirectly
32 through the state medical plan, to fund benefits payable under such state medical plan. No
33 such contributions made from the medical benefit plan's trust fund shall be transferred to
34 the board without the approval of the medical benefits plan's governing body. All
35 property, money, funds, investments, and rights so received and accepted by the board
36 together with proceeds and reinvestments thereof shall be dedicated to and held in a
37 separate trust, known as the medical benefit trust, for the exclusive purpose of satisfying
38 the obligations of the applicable state medical plan to pay health care and other medical
39 benefits to employee and retiree participants and their dependents under such state
40 medical plan. At no time shall any part of a medical benefit trust be used for or diverted
41 to any purpose other than for the exclusive purpose of satisfying the obligations of the
42 applicable state medical plan to provide health care and other medical benefits to employee
43 and retiree participants and their dependents, including payment of benefits on behalf of
44 such participants under such state medical plan and payment of reasonable expenses of the
45 medical benefit trust. The board may establish one or more trust instruments that set forth
46 the terms and conditions for holding, investing, and distributing assets of a medical benefit
47 trust that are consistent with subsection 2 of this section. Such medical benefit trust may
48 be irrevocable. A separate account for a state medical plan may be established under a
49 separate trust instrument. The board may consolidate the retiree assets of one or more

50 **medical benefits trusts in a single fund or funds (a "master trust") that may be**
51 **commingled for investment purposes, and subject to the applicable trust agreement, may**
52 **commingle the retiree assets of one or more medical benefits trusts with assets of the system**
53 **for investment purposes. In the event the board commingles assets of one or more trusts**
54 **for investment purposes, it shall maintain separate bookkeeping accounts reflecting the**
55 **separate share in each investment pool of each participating trust. The board shall have**
56 **power to purchase, acquire, hold, invest, lend, lease, sell, assign, transfer, and dispose of**
57 **all property, rights, and securities and enter into written contracts all as may be necessary**
58 **or proper to carry out the purposes of this subsection and subsection 2 of this section.**
59 **Whenever the system is acting under section 104.010 and sections 104.320 to 104.1093 with**
60 **respect to an account established under this subsection, the provisions of such sections shall**
61 **be read to apply to an account provided under this subsection and not accounts established**
62 **under subsection 1 of section 104.440.**

63 **4. The board shall make such payments from a medical benefit trust or for the**
64 **benefit of the participants in a state medical plan and their dependents at such time, in**
65 **such manner, in such amounts, in such form, and for such purposes as may be specified in**
66 **one or more directives by the state medical plan administrator authorized to direct**
67 **payment of benefits under such state medical plan from time to time or as provided in a**
68 **trust agreement governing such medical benefit trust, and the board shall have no**
69 **responsibility and shall be without liability for any payment made under any such**
70 **direction. The board shall be under no duty or obligation to make any inquiry or**
71 **investigation as to whether any direction is made under the provisions of any state medical**
72 **plan and shall not be responsible in any respect for the administration of any state medical**
73 **plan. Payment in response to such direction shall be a complete discharge of the board of**
74 **its responsibility for the holding and safekeeping of such assets and any assets paid over**
75 **shall no longer constitute part of the medical benefit trust.**

76 **5. The board shall invest the funds of a medical benefit trust in the same manner**
77 **as it invests funds of the retirement system as permitted by sections 105.686 to 105.690,**
78 **RSMo.**

79 **6. The board may authorize the executive director to assist with programs and**
80 **procedures pertaining to payroll for state employees and any state employee benefits as**
81 **requested by the office of administration or other state agencies.**

104.344. Notwithstanding any other law to the contrary, any person who is actively
2 employed by the state of Missouri in a position covered by a retirement plan administered by the
3 Missouri state employees' retirement system and who had nonfederal full-time public
4 employment in the state of Missouri [or who had provided full-time services for compensation
5 to the state of Missouri under a contract], and who by virtue of such employment was a member

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

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

8 2.] Each employee described in paragraph (b) of subdivision [(18)] **(20)** of section
9 104.010 shall be entitled to the same insurance benefits provided under sections 103.003 to
10 103.175, RSMo to employees described in paragraph (a) of subdivision [(18)] **(20)** of section
11 104.010 to cover the medical expenses of such employees and their spouses and children. Such

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

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

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

5 the retirement system along with all other retirement benefits due such retired employees under
6 the retirement system.

104.380. If a retired member is elected to any state office or is appointed to any state
2 office or is employed by a department in a position normally requiring the performance by the
3 person of duties during not less than one thousand **forty** hours per year, the member shall not
4 receive an annuity for any month or part of a month for which the member serves as an officer
5 or employee, but the member shall be considered to be a new employee with no previous
6 creditable service and must accrue creditable service **continuously for at least one year** in order
7 to receive any additional annuity. Any retired member who again becomes an employee and who
8 accrues additional creditable service and later retires shall receive an additional amount of
9 monthly annuity calculated to include only the creditable service and the average compensation
10 earned by the member since such employment or creditable service earned as a member of the
11 general assembly. Years of membership service and twelfths of a year are to be used in
12 calculating any additional annuity except for creditable service earned as a member of the general
13 assembly, and such additional annuity shall be based on the type of service accrued. In either
14 event, the original annuity and the additional annuity, if any, shall be paid commencing with the
15 end of the first month after the month during which the member's term of office has been
16 completed, or the member's employment terminated. If a retired member is employed by a
17 department in a position that does not normally require the person to perform duties during at
18 least one thousand **forty** hours per year, the member shall not be considered an employee as
19 defined pursuant to section 104.010. A retired member who becomes reemployed as an
20 employee on or after August 28, 2001, in a position covered by the highways and transportation
21 employees' and highway patrol retirement system shall not be eligible to receive retirement
22 benefits or additional creditable service from the state employees' retirement system.

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

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

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

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

27 Option 3. An actuarial reduction approved by the board of the member's normal annuity
28 in reduced monthly payments for the member's life with the provision that if the member dies
29 prior to the member having received one hundred twenty monthly payments of the member's
30 reduced annuity, the member's reduced annuity to which the member would have been entitled
31 had the member lived shall be paid for the remainder of the one hundred twenty months' period
32 to such person as the member shall have nominated by written designation duly executed and
33 filed with the board. If there is no such beneficiary surviving the retirant, the reserve for such
34 annuity for the remainder of such one hundred twenty months' period shall be paid [to the
35 retirant's estate] **as provided under subsection 3 of section 104.620**. If such beneficiary dies
36 after the member's date of death but before having received the remainder of the one hundred
37 twenty monthly payments of the retiree's reduced annuity, the reserve for such annuity for the
38 remainder of such one hundred twenty-month period shall be paid [to the beneficiary's estate]
39 **as provided under subsection 3 of section 104.620**; or

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

50 for such annuity for the remainder of the sixty-month period shall be paid [to the beneficiary's
51 estate] **as provided under subsection 3 of section 104.620.**

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

57 3. For members who retire on or after August 28, 1995, in the event such member
58 elected a joint and survivor option pursuant to the provisions of this section and the member's
59 eligible spouse or eligible former spouse precedes the member in death, the member's annuity
60 shall revert effective the first of the month following the death of the spouse or eligible former
61 spouse regardless of when the board receives the member's written application for the benefit
62 provided in this subsection, to an amount equal to the member's normal annuity, as adjusted for
63 early retirement if applicable; such benefit shall include any increases the member would have
64 received since the date of retirement had the member elected a normal annuity. **If a member
65 dies prior to notifying the system of the spouse's death, the benefit shall not revert to a
66 normal annuity and no retroactive payments shall be made.**

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

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

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

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

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

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

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

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

104.1003. **1.** Unless a different meaning is plainly required by the context, the following
2 words and phrases as used in sections 104.1003 to 104.1093 shall mean:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 (e) **The term "employee" shall include any person as defined under paragraph (b)**
48 **of subdivision (20) of subsection 1 of section 104.010 who is first employed on or after July**
49 **1, 2000, but prior to August 28, 2007;**

50 (14) "Employer", a department;

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

53 (16) "Final average pay", the average pay of a member for the thirty-six full consecutive
54 months of service before termination of employment when the member's pay was greatest; or if

55 the member was on workers' compensation leave of absence or a medical leave of absence due
56 to an employee illness, the amount of pay the member would have received but for such leave
57 of absence as reported and verified by the employing department; or if the member was
58 employed for less than thirty-six months, the average monthly pay of a member during the period
59 for which the member was employed. **The board of each system may promulgate rules for**
60 **purposes of calculating final average pay and other retirement provisions to accommodate**
61 **for any state payroll system in which pay is received on a monthly, semimonthly, biweekly,**
62 **or other basis;**

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

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

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

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

76 (21) "Pay" shall include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

107 **2. Benefits paid under the provisions of this chapter shall not exceed the limitations**
108 **of Internal Revenue Code Section 415, the provisions of which are hereby incorporated by**
109 **reference. Notwithstanding any other law to the contrary, the board of trustees may**
110 **establish a benefit plan under Section 415(m) of the Internal Revenue Code of 1986, as**
111 **amended. Such plan shall be created solely for the purposes described in Section**
112 **415(m)(3)(A) of the Internal Revenue Code of 1986, as amended. The board of trustees**
113 **may promulgate regulations necessary to implement the provisions of this subsection and**
114 **to create and administer such benefit plan.**

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

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

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

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

9 2. Each retiree of the closed plan on July 1, 2000, shall be furnished by the appropriate
10 system a written comparison of the retiree's closed plan coverage and the retiree's potential year
11 2000 plan coverage. A retiree shall elect whether or not to change to year 2000 plan coverage
12 by making a written election, on a form furnished by the appropriate board, and providing that
13 form to the system by no later than twelve months after July 1, 2000, and any retiree who fails
14 to make such election within such time period shall be deemed to have elected to remain covered
15 under the closed plan; provided the election must be after the retiree has received from the
16 appropriate system such written comparison. The retirement option elected under the year 2000
17 plan shall be the same as the retirement option elected under the closed plan, except any retiree
18 who is receiving one of the options providing for a continuing lifetime annuity to a surviving
19 spouse under the closed plan may elect to receive an annuity under option 1 or 2 of section
20 104.1027, or a life annuity under subsection 2 of section 104.1024, provided the person who was
21 married to the member at the time of retirement, if any, consents in writing to such election made
22 pursuant to section 104.1024, or to any election described in this section if the person was
23 married to a member of the Missouri state employees' retirement system. The effective date of
24 payment of an annuity under the year 2000 plan as provided in this subsection shall begin on July
25 1, 2000. No adjustment shall be made to retirement benefits paid to the retiree prior to July 1,
26 2000. In order to calculate a new monthly annuity for retirees electing coverage under the year
27 2000 plan pursuant to this subsection, the following calculations shall be made:

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

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

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

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

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

50 3. Each person who is an employee and covered by the closed plan and not a retiree of
51 the closed plan on July 1, 2000, shall elect whether or not to change to year 2000 plan coverage
52 prior to the last business day of the month before the person's annuity starting date, and if such
53 election has not been made within such time, annuity payments due beginning on and after the
54 month of the annuity starting date shall be made the month following the receipt by the
55 appropriate system of such election and any other information required by the year 2000 plan
56 created by sections 104.1003 to 104.1093; provided, such election must be after the person has
57 received from the year 2000 plan a written comparison of the person's closed plan coverage and
58 the person's potential year 2000 plan coverage and the election must be made in writing on a
59 form furnished by the appropriate board. If such person dies after the annuity starting date but
60 before making such election and providing such other information, no benefits shall be paid
61 except as required pursuant to section 104.420 or subsection 2 of section 104.372 for members
62 of the general assembly.

63 4. Each person who is not an employee and not a retiree and is eligible for a deferred
64 annuity from the closed plan on July 1, 2000, shall elect whether or not to change to the year

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

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

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

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

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

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

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

3 2. If a member terminates employment and is eligible to receive an annuity pursuant to
4 the year 2000 plan, or becomes a vested former member at the time of termination, the member's
5 or former member's unused sick leave as reported through the financial and human resources
6 system maintained by the office of administration, or if a department's employees are not paid
7 salaries or wages through such system, as reported directly by the department, for which the
8 member has not been paid will be converted to credited service at the time of application for
9 retirement benefits. The member shall receive one-twelfth of a year of credited service for each
10 one hundred and sixty-eight hours of such unused sick leave. The employing department shall
11 not certify unused sick leave unless such unused sick leave could have been used by the member
12 for sickness or injury. The rate of accrual of sick leave for purposes of computing years of
13 service pursuant to this section shall be no greater than ten hours per month. Such credited
14 service shall not be used in determining the member's eligibility for retirement or final average
15 pay. Such credited service shall be added to the credited service in the last position of
16 employment held as a member of the system.

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

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

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

27 6. Any member who had active military service in the United States Army, Air Force,
28 Navy, Marine Corps, Army or Air National Guard, Coast Guard, or any reserve component
29 thereof prior to last becoming a member, or who is otherwise ineligible to receive credited
30 service pursuant to subsection 1 or 5 of this section, and who became a member after the person's
31 discharge from military service under honorable conditions may elect, prior to retirement, to
32 purchase credited service for all such military service, but not to exceed four years, provided the

33 person is not receiving and is not eligible to receive retirement credits or benefits from any other
34 public or private retirement plan, other than a United States military service retirement system,
35 for the military service to be purchased along with the submission of appropriate documentation
36 verifying the member's dates of active service. The purchase shall be effected by the member
37 paying to the system an amount equal to the state's contributions that would have been made to
38 the system on the member's behalf had the member been a member for the period for which the
39 member is electing to purchase credit and had the member's pay during such period of
40 membership been the same as the annual pay rate as of the date the member was initially
41 employed as a member, with the calculations based on the contribution rate in effect on the date
42 of such member's employment with simple interest calculated from the date of employment to
43 the date of election pursuant to this subsection. The payment shall be made over a period of not
44 longer than two years, measured from the date of election, and with simple interest on the unpaid
45 balance. If a member who purchased credited service pursuant to this subsection dies prior to
46 retirement, the surviving spouse may, upon written request, receive a refund of the amount
47 contributed for such purchase of such credited service, provided the surviving spouse is not
48 entitled to survivorship benefits payable pursuant to the provisions of section 104.1030.

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

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

61 9. In no event shall any person or member receive credited service pursuant to the year
62 2000 plan if that same service is credited for retirement benefits under any defined benefit
63 retirement system not created pursuant to this chapter.

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

69 11. A member may not purchase any credited service described in this section unless the
70 member has met the five-year minimum service requirement as provided in subdivisions (11) and
71 (20) of **subsection 1 of** section 104.1003, the [two] **three** full biennial assemblies minimum
72 service requirement as provided in section 104.1084, or the four-year minimum service
73 requirement as provided in section 104.1084.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 Option 3. A retiree's life annuity shall be reduced to ninety-five percent of the annuity
36 otherwise payable. If the retiree dies before having received one hundred twenty monthly
37 payments, the reduced annuity shall be continued for the remainder of the one hundred
38 twenty-month period to the retiree's designated beneficiary provided that if there is no beneficiary
39 surviving the retiree, the present value of the remaining annuity payments shall be paid [to the
40 retiree's estate] **as provided under subsection 4 of section 104.1054.** If the beneficiary survives
41 the retiree but dies before receiving the remainder of such one hundred twenty monthly
42 payments, the present value of the remaining annuity payments shall be paid [to the beneficiary's
43 estate] **as provided under subsection 4 of section 104.1054.**

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

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

57 3. If a member has elected at the annuity starting date option 1 or 2 pursuant to this
58 section and if the member's spouse or eligible former spouse dies after the annuity starting date
59 but before the member dies, then the member may cancel the member's election and return to the
60 life annuity form of payment and annuity amount, effective the first of the month following the
61 date of such spouse's or eligible former spouse's death. **If a member dies prior to notifying the**
62 **system of the spouse's death, the benefit shall not revert to a life annuity and no retroactive**
63 **payments shall be made.**

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

68 5. Effective July 1, 2000, a member may make an election under option 1 or 2 after the
69 annuity starting date as described in this section if the member makes such election within one

70 year from the date of marriage or July 1, 2000, whichever is later, pursuant to any of the
71 following circumstances:

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

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

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

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

104.1039. If a retiree is employed as an employee by a department, the retiree shall not
2 receive an annuity payment for any calendar month in which the retiree is so employed. While
3 reemployed the retiree shall be considered to be a new employee with no previous credited
4 service [upon subsequent retirement] **and shall accrue credited service continuously for at**
5 **least one year in order to receive any additional annuity.** Such retiree shall receive an
6 additional annuity in addition to the original annuity, calculated based only on the credited
7 service and the pay earned by such retiree during reemployment and paid in accordance with the
8 annuity option originally elected; provided such retiree who ceases to receive an annuity pursuant
9 to this section shall not receive such additional annuity if such retiree is employed by a
10 department in a position that is covered by a state-sponsored defined benefit retirement plan not
11 created pursuant to this chapter. The original annuity and any additional annuity shall be paid
12 commencing as of the end of the first month after the month during which the retiree's
13 reemployment terminates.

104.1051. 1. Any annuity provided pursuant to the year 2000 plan is marital property
2 and a court of competent jurisdiction may divide such annuity between the parties to any action
3 for dissolution of marriage if at the time of the dissolution the member has at least five years of
4 credited service pursuant to sections 104.1003 to 104.1093. A division of benefits order issued
5 pursuant to this section:

6 (1) Shall not require the applicable retirement system to provide any form or type of
7 annuity or retirement plan not selected by the member;

8 (2) Shall not require the applicable retirement system to commence payments until the
9 member's annuity starting date;

10 (3) Shall identify the monthly amount to be paid to the former spouse, which shall be
11 expressed as a percentage and which shall not exceed fifty percent of the amount of the member's
12 annuity accrued during all or part of the period of the marriage of the member and former spouse
13 and which shall be based on the member's vested annuity on the date of the dissolution of
14 marriage or an earlier date as specified in the order, which amount shall be adjusted
15 proportionately upon the annuity starting date if the member's annuity is reduced due to the
16 receipt of an early retirement annuity **or the member's annuity is reduced under section**
17 **104.1027 under an annuity option in which the member named the alternative payee as**
18 **beneficiary prior to the dissolution of marriage;**

19 (4) Shall not require the payment of an annuity amount to the member and former spouse
20 which in total exceeds the amount which the member would have received without regard to the
21 order;

22 (5) Shall provide that any annuity increases, additional years of credited service,
23 increased final average pay, increased pay pursuant to subsections 2 and 5 of section 104.1084,
24 or other type of increases accrued after the date of the dissolution of marriage and any temporary
25 annuity received pursuant to subsection 4 of section 104.1024 shall accrue solely to the benefit
26 of the member; except that on or after September 1, 2001, any cost-of-living adjustment (COLA)
27 due after the annuity starting date shall not be considered to be an increase accrued after the date
28 of termination of marriage and shall be part of the monthly amount subject to division pursuant
29 to any order issued after September 1, 2001;

30 (6) Shall terminate upon the death of either the member or the former spouse, whichever
31 occurs first;

32 (7) Shall not create an interest which is assignable or subject to any legal process;

33 (8) Shall include the name, address, date of birth, and Social Security number of both
34 the member and the former spouse, and the identity of the retirement system to which it applies;

35 (9) Shall be consistent with any other division of benefits orders which are applicable
36 to the same member.

37 2. A system shall provide the court having jurisdiction of a dissolution of a marriage
38 proceeding or the parties to the proceeding with information necessary to issue a division of
39 benefits order concerning a member of the system, upon written request from either the court,
40 the member, or the member's spouse, citing this section and identifying the case number and
41 parties.

42 3. A system shall have the discretionary authority to reject a division of benefits order
43 for the following reasons:

44 (1) The order does not clearly state the rights of the member and the former spouse;

45 (2) The order is inconsistent with any law governing the retirement system.

46 **4. Any member of the closed plan who elected the year 2000 plan under section**
47 **104.1015 and then becomes divorced and subject to a division of benefits order shall have**
48 **the division of benefits order calculated under the provisions of the year 2000 plan.**

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

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

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

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

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

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

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

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

69 4. The highways and transportation employees' and highway patrol retirement system
70 may request the state highways and transportation commission to provide life insurance benefits

71 as required in subsections 1 and 2 of this section. If the state highways and transportation
72 commission agrees to the request, the highways and transportation employees' and highway
73 patrol retirement system shall reimburse the state highways and transportation commission for
74 any and all costs for life insurance provided pursuant to subdivision (2) of subsection 1 of this
75 section. The person who is covered pursuant to subsection 2 of this section shall be solely
76 responsible for the costs of any additional life insurance. In lieu of the life insurance benefit in
77 subdivision (2) of subsection 1 of this section, the highways and transportation employees' and
78 highway patrol retirement system is authorized in its sole discretion to provide a death benefit
79 of five thousand dollars.

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

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

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

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

104.1087. 1. If a member has credited service with more than one selected plan at time
2 of separation of covered employment from all selected plans, then the annuity payable from each
3 selected plan shall be based upon the annuity program, pay record and service record with that
4 selected plan; provided, however, that the total of credited service with all selected plans shall
5 be used for the sole purpose of determining whether or not the member has met the credited
6 service requirement contained in subdivisions (11) and (20) of **subsection 1 of** section 104.1003
7 and subsections 1 and 4 of section 104.1084 for each selected plan.

8 2. The selected plans cited in this section are:

9 (1) Year 2000 plan - basic provisions;

10 (2) Year 2000 plan - general assembly provisions;

11 (3) Year 2000 plan - statewide elected official provisions.

12 104.1090. 1. Any member who as described in subdivision (1) of subsection 1 of section
13 104.1009 has been employed in a position covered by the system for at least ten or more years
14 and has received credited service for such employment in the year 2000 plan shall receive

15 additional credited service for previous public employment within the state covered by another
16 retirement plan as defined in section 105.691, RSMo, if all of the following conditions are met:

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

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

27 (3) No such credited service remains credited in such other retirement plan; [and]

28 (4) The member applies for the additional credited service prior to the members's annuity
29 starting date in manner and form established by the appropriate board. Such additional credited
30 service shall be added to the credited service in the first position of employment held as a
31 member of the system; **and**

32 **(5) The other retirement plan enters into an agreement with the system to comply**
33 **with the provisions of this section.**

34 2. Any member described in subsection 3 of section 104.1015 who elects to be covered
35 by the year 2000 plan shall be eligible to receive service under the terms and conditions of
36 subsection 1 of this section.

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