

FIRST EXTRAORDINARY SESSION
[PERFECTED]
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1
95TH GENERAL ASSEMBLY

6004L.04P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 56.809, 70.605, 104.190, 104.480, 105.915, 105.927, and 169.020, RSMo, and to enact in lieu thereof sixteen new sections relating to retirement, with an emergency clause for certain sections.

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

Section A. Sections 56.809, 70.605, 104.190, 104.480, 105.915, 105.927, and 169.020, RSMo, are repealed and sixteen new sections enacted in lieu thereof, to be known as sections 29.212, 56.809, 70.605, 104.190, 104.405, 104.406, 104.480, 104.1091, 105.676, 105.915, 105.927, 169.020, 476.521, 476.527, 476.529, and 1, to read as follows:

29.212. Any retirement system established by the state of Missouri or any political subdivision or instrumentality of the state for the purpose of providing retirement plan benefits for elected or appointed public officials or employees of the state of Missouri or any political subdivision of the state may be audited by the state auditor every three years, or more frequently as otherwise required by law.

56.809. 1. The general administration and the responsibility for the proper operation of the fund are vested in a board of trustees of five persons. Trustees shall be elected by a secret ballot vote of the prosecuting attorneys and circuit attorneys of this state. Trustees shall be chosen for terms of four years from the first day of January next following their election except that the members of the first board shall be appointed by the governor by and with the consent of the senate after notification in writing, respectively, by the prosecuting attorneys and circuit attorneys of eighty percent of the counties in the state, including a city not within a county, that the prosecuting attorney or circuit attorney has elected to come under the provisions of sections 56.800 to 56.840. It shall be the responsibility of the initial board to establish procedures for the

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.

10 conduct of future elections of trustees and such procedures shall be approved by a majority vote
11 by secret ballot of the prosecuting attorneys and circuit attorneys in this state. The board shall
12 have all powers and duties that are necessary and proper to enable it, its officers, employees and
13 agents to fully and effectively carry out all the purposes of sections 56.800 to 56.840.

14 2. The board of trustees shall elect one of their number as chairman and one of their
15 number as vice chairman and may employ an administrator who shall serve as executive
16 secretary to the board. The Missouri office of prosecution services, sections 56.750 to 56.775,
17 may, in the discretion of the board of trustees, act as administrative employees to carry out all
18 of the purposes of sections 56.800 to 56.840. In addition, the board of trustees may appoint such
19 other employees as may be required. The board shall hold regular meetings at least once each
20 quarter. Other meetings may be called as necessary by the chairman or by any three members
21 of the board. Notice of such meetings shall be given in accordance with chapter 610, RSMo.

22 3. The board of trustees shall appoint an actuary or firm of actuaries as technical advisor
23 to the board of trustees.

24 4. The board of trustees shall retain investment advisors to be investment advisors to the
25 board.

26 5. The board of trustees may retain legal counsel to advise the board and represent the
27 system in legal proceedings.

28 6. The board shall arrange for annual audits of the records and accounts of the system
29 by a certified public accountant or by a firm of certified public accountants. The state auditor
30 [shall examine such audits at least] **may audit the system** once every three years and report to
31 the board of trustees and to the governor.

32 7. The board of trustees shall serve without compensation for their services as such;
33 except that each trustee shall be paid from the system's funds for any necessary expenses incurred
34 in the performance of duties authorized by the board.

35 8. The board of trustees shall be authorized to appropriate funds from the system for
36 administrative costs in the operation of the system.

37 9. The board of trustees shall, from time to time, after receiving the advice of its actuary,
38 adopt such mortality and other tables of experience, and a rate or rates of regular interest, as shall
39 be necessary for the actuarial requirements of the system, and shall require its executive secretary
40 to keep in convenient form such data as shall be necessary for actuarial investigations of the
41 experience of the system, and such data as shall be necessary for the annual actuarial valuations
42 of the system.

43 10. The board of trustees shall, after reasonable notice to all interested parties, hear and
44 decide questions arising from the administration of sections 56.800 to [56.835] **56.840**; except
45 that within thirty days after a decision or order, any member, retirant, beneficiary or political

46 subdivision adversely affected by that determination or order may make an appeal under the
47 provisions of chapter 536, RSMo.

48 11. The board of trustees shall arrange for adequate surety bonds covering the executive
49 secretary and any other custodian of funds or investments of the board. When approved by the
50 board, such bonds shall be deposited in the office of the Missouri secretary of state.

51 12. Subject to the limitations of sections 56.800 to [56.835] **56.840**, the board of trustees
52 shall formulate and adopt rules and regulations for the government of its own proceedings and
53 for the administration of the retirement system.

54 13. The board of trustees shall be the trustees of the funds of the system. Subject to the
55 provisions of any applicable federal or state laws, the board of trustees shall have full power to
56 invest and reinvest the moneys of the system, and to hold, purchase, sell, assign, transfer or
57 dispose of any of the securities and investments in which such moneys shall have been invested,
58 as well as the proceeds of such investments and such moneys.

59 14. Notwithstanding any other provision of the law to the contrary, the board of trustees
60 may delegate to its duly appointed investment advisors authority to act in place of the board of
61 trustees in the investment and reinvestment of all or part of the moneys of the system, and may
62 also delegate to such advisors the authority to act in place of the board of trustees in the holding,
63 purchasing, selling, assigning, transferring or disposing of any or all of the securities and
64 investments in which such moneys shall have been invested, as well as the proceeds of such
65 investments and such moneys. Such investment counselor shall be registered as an investment
66 advisor with the United States Securities and Exchange Commission. In exercising or delegating
67 its investment powers and authority, members of the board of trustees shall exercise ordinary
68 business care and prudence under the facts and circumstances prevailing at the time of the action
69 or decision. In so doing, the board of trustees shall consider the long-term and short-term needs
70 of the system in carrying out its purposes, the system's present and anticipated financial
71 requirements, the expected total return on the system's investment, the general economic
72 conditions, income, growth, long-term net appreciation, and probable safety of funds. No
73 member of the board of trustees shall be liable for any action taken or omitted with respect to the
74 exercise of or delegation of these powers and authority if such member shall have discharged the
75 duties of his or her position in good faith and with that degree of diligence, care and skill which
76 prudent men and women would ordinarily exercise under similar circumstances in a like
77 position.

78 15. The board shall keep a record of its proceedings which shall be open to public
79 inspection. It shall annually prepare a report showing the financial condition of the system. The
80 report shall contain, but not be limited to, an auditor's opinion, financial statements prepared in

81 accordance with generally accepted accounting principles, an actuary's certification along with
82 actuarial assumptions and financial solvency tests.

70.605. 1. For the purpose of providing for the retirement or pensioning of the officers
2 and employees and the widows and children of deceased officers and employees of any political
3 subdivision of the state, there is hereby created and established a retirement system which shall
4 be a body corporate, which shall be under the management of a board of trustees herein
5 described, and shall be known as the "Missouri Local Government Employees' Retirement
6 System". Such system may sue and be sued, transact business, invest funds, and hold cash,
7 securities, and other property. All suits or proceedings directly or indirectly against the system
8 shall be brought in Cole County. The system shall begin operations on the first day of the
9 calendar month next following sixty days after the date the board of trustees has received
10 certification from ten political subdivisions that they have elected to become employers.

11 2. The general administration and the responsibility for the proper operation of the
12 system is vested in a board of trustees of seven persons: three persons to be elected as trustees
13 by the members of the system; three persons to be elected trustees by the governing bodies of
14 employers; and one person, to be appointed by the governor, who is not a member, retirant, or
15 beneficiary of the system and who is not a member of the governing body of any political
16 subdivision.

17 3. Trustees shall be chosen for terms of four years from the first day of January next
18 following their election or appointment, except that of the first board shall all be appointed by
19 the governor by and with the consent of the senate, as follows:

20 (1) Three persons who are officers or officials of political subdivisions, one for a term
21 of three years, one for a term of two years, and one for a term of one year; and

22 (2) Three persons who are employees of political subdivisions and who would, if the
23 subdivision by which they are employed becomes an employer, be eligible as members, one for
24 a term of three years, one for a term of two years, and one for a term of one year; and

25 (3) That person appointed by the governor under the provisions of subsection 2 of this
26 section. All the members of the first board shall take office as soon as appointed by the
27 governor, but their terms shall be computed from the first day of January next following their
28 appointment, and only one member may be from any political subdivision or be a policeman or
29 fireman.

30 4. Successor trustees elected or appointed as member trustees shall be members of the
31 retirement system; provided, that not more than one member trustee shall be employed by any
32 one employer, and not more than one member trustee shall be a policeman, and not more than
33 one member trustee shall be a fireman.

34 5. Successor trustees elected as employer trustees shall be elected or appointed officials
35 of employers and shall not be members of the retirement system; provided, that not more than
36 one employer trustee shall be from any one employer.

37 6. An annual meeting of the retirement system shall be called by the board in the last
38 calendar quarter of each year in Jefferson City, or at such place as the board shall determine, for
39 the purpose of electing trustees and to transact such other business as may be required for the
40 proper operation of the system. Notice of such meeting shall be sent by registered mail to the
41 clerk or secretary of each employer not less than thirty days prior to the date of such meeting.
42 The governing body of each employer shall certify to the board the name of one delegate who
43 shall be an officer of the employer, and the members of the employer shall certify to the board
44 a member of the employer to represent such employer at such meeting. The delegate certified
45 as member delegate shall be elected by secret ballot by the members of such employer, and the
46 clerk or secretary of each employer shall be charged with the duty of conducting such election
47 in a manner which will permit each member to vote in such election. Under such rules and
48 regulations as the board shall adopt, approved by the delegates, the member delegates shall elect
49 a member trustee for each such position on the board to be filled, and the officer delegates shall
50 elect an employer trustee for each such position on the board to be filled.

51 7. In the event any member trustee ceases to be a member of the retirement system, or
52 any employer trustee ceases to be an appointed or elected official of an employer, or becomes
53 a member of the retirement system, or if the trustee appointed by the governor becomes a
54 member of the retirement system or an elected or appointed official of a political subdivision,
55 or if any trustee fails to attend three consecutive meetings of the board, unless in each case
56 excused for cause by the remaining trustees attending such meeting or meetings, he or she shall
57 be considered as having resigned from the board and the board shall, by resolution, declare his
58 or her office of trustee vacated. If a vacancy occurs in the office of trustee, the vacancy shall be
59 filled for the unexpired term in the same manner as the office was previously filled; provided,
60 however, that the remaining trustees may fill employer and member trustee vacancies on the
61 board until the next annual meeting.

62 8. Each trustee shall be commissioned by the governor, and before entering upon the
63 duties of his office, shall take and subscribe to an oath or affirmation to support the Constitution
64 of the United States, and of the state of Missouri, and to demean himself faithfully in his or her
65 office. Such oath as subscribed to shall be filed in the office of the secretary of state of this state.

66 9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be
67 necessary for a decision by the trustees at any meeting of the board of trustees. Four trustees, of
68 whom at least two shall be member trustees and at least two shall be employer trustees, shall
69 constitute a quorum at any meeting of the board. Unless otherwise expressly provided herein,

70 a meeting need not be called or held to make any decision on a matter before the board. Each
71 member must be sent by the executive secretary a copy of the matter to be decided with full
72 information from the files of the board. The concurring decisions of four trustees may decide
73 the issue by signing a document declaring their decision and sending the written instrument to
74 the executive secretary, provided that no other trustee shall send a dissenting decision to the
75 executive secretary within fifteen days after the document and information was mailed to him
76 or her. If any trustee is not in agreement with the four trustees, the matter is to be passed on at
77 a regular board meeting or a special meeting called for that purpose. The board shall hold
78 regular meetings at least once each quarter, the dates of these meetings to be designated in the
79 rules and regulations adopted by the board. Other meetings as deemed necessary may be called
80 by the chairman or by any four trustees acting jointly.

81 10. The board of trustees shall elect one of their number as chairman, and one of their
82 number as vice chairman, and shall employ an executive secretary, not one of their number, who
83 shall be the executive officer of the board. Other employees of the board shall be chosen only
84 upon the recommendation of the executive secretary.

85 11. The board shall appoint an actuary or a firm of actuaries as technical advisor to the
86 board on matters regarding the operation of the system on an actuarial basis. The actuary or
87 actuaries shall perform such duties as are required of him or her under sections 70.600 to 70.755,
88 and as are from time to time required by the board.

89 12. The board may appoint an attorney-at-law or firm of attorneys-at-law to be the legal
90 advisor of the board and to represent the board in all legal proceedings.

91 13. The board may appoint an investment counselor to be the investment advisor of the
92 board.

93 14. The board shall from time to time, after receiving the advice of its actuary, adopt
94 such mortality and other tables of experience, and a rate or rates of regular interest, as shall be
95 necessary for the actuarial requirements of the system, and shall require its executive secretary
96 to keep in convenient form such data as shall be necessary for actuarial investigations of the
97 experience of the system, and such data as shall be necessary for the annual actuarial valuations
98 of the system.

99 15. The board shall keep a record of its proceedings, which shall be open to public
100 inspection. It shall prepare annually and render to each employer a report showing the financial
101 condition of the system as of the preceding June thirtieth. The report shall contain, but shall not
102 be limited to, a financial balance sheet; a statement of income and disbursements; a detailed
103 statement of investments acquired and disposed of during the year, together with a detailed
104 statement of the annual rates of investment income from all assets and from each type of
105 investment; an actuarial balance sheet prepared by means of the last valuation of the system, and

106 such other data as the board shall deem necessary or desirable for a proper understanding of the
107 condition of the system.

108 16. The board of trustees shall, after reasonable notice to all interested parties, conduct
109 administrative hearings to hear and decide questions arising from the administration of sections
110 70.600 to 70.755; except, that such hearings may be conducted by a hearing officer who shall be
111 appointed by the board. The hearing officer shall preside at the hearing and hear all evidence and
112 rule on the admissibility of evidence. The hearing officer shall make recommended findings of
113 fact and may make recommended conclusions of law to the board. All final orders or
114 determinations or other final actions by the board shall be approved in writing by at least four
115 members of the board. Any board member approving in writing any final order, determination
116 or other final action, who did not attend the hearing, shall do so only after certifying that he or
117 she reviewed all exhibits and read the entire transcript of the hearing. Within thirty days after
118 a decision or order or final action of the board, any member, retirant, beneficiary or political
119 subdivision adversely affected by that determination or order or final action may take an appeal
120 under the provisions of chapter 536, RSMo. Jurisdiction over any dispute regarding the
121 interpretation of sections 70.600 to 70.755 and the determinations required thereunder shall lie
122 in the circuit court of Cole County.

123 17. The board shall arrange for adequate surety bonds covering the executive secretary
124 and any other custodian of the funds or investments of the board. When approved by the board,
125 said bonds shall be deposited in the office of the secretary of state.

126 18. The board shall arrange for annual audits of the records and accounts of the system
127 by a certified public accountant or by a firm of certified public accountants. The state auditor
128 [shall examine such audits at least] **may audit the system** once every three years and report to
129 the board and the governor.

130 19. The headquarters of the retirement system shall be in Jefferson City.

131 20. The board of trustees shall serve as trustees without compensation for their services
132 as such; except that each trustee shall be paid for any necessary expenses incurred in attending
133 meetings of the board or in the performance of other duties authorized by the board.

134 21. Subject to the limitations of sections 70.600 to 70.755, the board shall formulate and
135 adopt rules and regulations for the government of its own proceedings and for the administration
136 of the retirement system.

104.190. 1. The board shall keep a complete record of all its proceedings, which shall
2 be open at all reasonable hours to the inspection of any member. A statement covering the
3 operations of the system for the year, including income and disbursements, and the financial
4 condition of the system at the end of the year, showing the actuarial valuation and appraisal of

5 its assets and liabilities, as of July first, shall each year be delivered to the governor of Missouri
6 and be made readily available to the members.

7 2. A system of member employment records necessary for the calculation of retirement
8 benefits shall be kept separate and apart from the customary employee employment records.

9 3. The principal office of the system shall be located in Jefferson City. The system shall
10 have a seal bearing the inscription "Transportation Department Employees' and Highway Patrol
11 Retirement System", which shall be in the custody of its executive director. The courts of this
12 state shall take judicial notice of the seal; and all copies of records, books, and written
13 instruments which are kept in the office of the system and are certified by the executive director
14 under said seal shall be proved or admitted in any court or proceeding as provided by section
15 109.130, RSMo.

16 4. The board shall arrange for annual audits of the records and accounts of the system
17 by a certified public accountant or by a firm of certified public accountants. The state auditor
18 [shall examine such audits at least] **may audit the system** once every three years and report to
19 the board and the governor.

**104.405. 1. This section shall be known and may be cited as the "2010 State
2 Employee Retirement Incentive Program".**

3 **2. As used in this section, "years of service incentive benefit" means for employees
4 eligible to retire under section 104.406, with at least ten years of creditable service, an
5 amount equal to one thousand dollars for each year of creditable service up to a maximum
6 of twenty years of creditable service.**

7 **3. Any employee retiring under section 104.406 shall be eligible to receive the years
8 of service incentive benefit.**

9 **4. (1) The state, through the office of administration, shall pay the years of service
10 incentive benefit to the member or the member's beneficiary over a five-year period in five
11 equal installments beginning January 1, 2011, and each January first thereafter until all
12 five equal installments have been paid.**

13 **(2) The state, through the office of administration, shall pay any accrued annual
14 leave to the member or the member's beneficiary over a five-year period in five equal
15 installments beginning January 1, 2011, and each January first thereafter until all five
16 equal installments have been paid.**

17 **5. (1) The office of administration shall administer the program and shall adopt
18 administrative rules to administer the program. The office of administration may adopt
19 rules on an emergency basis to implement this section and the rules shall be effective
20 immediately upon filing unless a later date is specified in the rules.**

21 (2) Records of the Missouri state employees' retirement system shall be released for
22 the purposes of administering and monitoring the program.

23 (3) The office of administration shall present an interim report to the general
24 assembly by December 31, 2010, concerning the operation of the program. The office of
25 administration shall also submit an annual update concerning the program by December
26 thirty-first of each year for four years, commencing December 31, 2011. The reports shall
27 include information concerning the number of program participants, the cost of the
28 program including any payments made to participants, the number of state employment
29 positions not filled under the program, and the number of positions vacated by a program
30 participant that have been refilled.

 104.406. 1. Any employee who has not been a retiree of the system, who is eligible
2 to receive a normal annuity under section 104.080, 104.090, 104.100, 104.271, or 104.400,
3 or a life annuity under section 104.1024 and terminates employment after reaching normal
4 eligibility and becomes a retiree within sixty days of such termination whose annuity
5 commences on or after September 1, 2010, but no later than December 1, 2010, shall be
6 eligible to receive the years of service incentive benefit described in section 104.405. This
7 subsection shall not apply to any employee whose eligibility to retire is based solely on early
8 retirement eligibility. In no event shall any years of service incentive benefit described in
9 section 104.405 be provided to any individual retiring outside the dates outlined in this
10 section.

11 2. The state may hire employees to replace those employees retiring under this
12 section and section 104.405, except that departments shall not fill those positions vacated
13 using more than fifty percent of the personal service funds of the positions vacated.
14 Exceptions to the fifty percent restriction may be made for positions which are entirely
15 federally funded. Such determination shall be made by rule and regulation promulgated
16 by the office of administration.

17 3. An employee making an election to retire under the provisions of this section and
18 section 104.405 shall be prohibited from any employment with any department as defined
19 in this chapter.

20 4. The governing boards of Truman State University, Lincoln University, the
21 educational institutions described in section 174.020, the highway commission that governs
22 the health care plans of the Missouri department of transportation and the Missouri state
23 highway patrol, and the conservation commission of the department of conservation may
24 elect to provide its employees or retirees who retire under this section the same benefits as
25 described in this section and section 104.405.

26 **5. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
27 **created under the authority delegated in this section shall become effective only if it**
28 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
29 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
30 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
31 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
32 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2010,**
33 **shall be invalid and void.**

34 **6. The Missouri state employees' retirement system shall make a report in writing**
35 **to the commissioner of administration by January 31, 2011, regarding the number of state**
36 **employees eligible to retire under this section and the number of actual retirements under**
37 **this section. The commissioner of administration shall report in writing by March 31,**
38 **2011, to the governor and the general assembly regarding the information provided by the**
39 **Missouri state employees' retirement system and the years of service incentive benefit**
40 **payments, including an analysis of the costs and savings as a result of such retirements, the**
41 **amount of payroll reduced, and the number of positions that are core cut as a result of such**
42 **retirements.**

 104.480. 1. The board shall keep a complete record of all its proceedings, which shall
2 be open at all reasonable hours to the inspection of any member.

3 2. A statement covering the operations of the system for the year, including income and
4 disbursements, and of the financial condition of the system at the end of the year, showing the
5 actuarial valuation and appraisal of its assets and liabilities, as of July first, shall each year be
6 delivered to the governor of Missouri and be made readily available to the members.

7 3. The principal office of the system shall be in Jefferson City. The system shall have
8 a seal bearing the inscription "Missouri State Employees' Retirement System", which shall be
9 in the custody of its director. The courts of this state shall take judicial notice of the seal; and
10 all copies of records, books, and written instruments which are kept in the office of the system
11 and are certified by the director under the seal shall be proved or admitted in any court or
12 proceeding as provided by section 109.130, RSMo.

13 4. The board shall arrange for annual audits of the records and accounts of the system
14 by a certified public accountant or by a firm of certified public accountants. The state auditor
15 [shall examine such audits at least] **may audit the system** once every three years and report to
16 the board and the governor.

104.1091. 1. Notwithstanding any provision of the year 2000 plan to the contrary,
2 **each person who first becomes an employee on or after February 1, 2011, shall be a**
3 **member of the year 2000 plan subject to the provisions of this section, except that each**

4 person who first becomes an employee as a member of the general assembly on or after
5 January 1, 2011, shall be a member of the year 2000 plan subject to the provisions of this
6 section.

7 2. A member's normal retirement eligibility shall be as follows:

8 (1) The member's attainment of at least age sixty-five and the completion of at least
9 five years of credited service; or the member's attainment of at least age fifty-five with the
10 sum of the member's age and credited service equaling at least eighty-four; or, in the case
11 of a member who is serving as a uniformed member of the highway patrol and subject to
12 the mandatory retirement provisions of section 104.081 or as a corrections officer, such
13 member's attainment of at least age sixty or, the attainment of at least age fifty-five with
14 five years of credited service;

15 (2) For members of the general assembly, the member's attainment of at least age
16 sixty-five and the completion of at least three full biennial assemblies; or the member's
17 attainment of at least age fifty-five with the sum of the member's age and credited service
18 equaling at least eighty-four;

19 (3) For statewide elected officials, the official's attainment of at least age sixty-five
20 and the completion of at least five years of credited service; or the official's attainment of
21 at least age fifty-five with the sum of the official's age and credited service equaling at least
22 eighty-four.

23 3. A vested former member's normal retirement eligibility shall be based on the
24 attainment of at least age sixty-five and the completion of at least five years of credited
25 service.

26 4. A temporary annuity paid under subsection 4 of section 104.1024 shall be
27 payable if the member has attained at least age fifty-five with the sum of the member's age
28 and credited service equaling at least eighty-four; or in the case of a member who is serving
29 as a uniformed member of the highway patrol and subject to the mandatory retirement
30 provisions of section 104.081 or as a corrections officer, the temporary annuity shall be
31 payable if the member has attained at least age sixty, or at least age fifty-five with five
32 years of credited service.

33 5. A member, other than a member who is serving as a uniformed member of the
34 highway patrol and subject to the mandatory retirement provisions of section 104.081 or
35 as a corrections officer, shall be eligible for an early retirement annuity upon the
36 attainment of at least age sixty-two and the completion of at least five years of credited
37 service. A vested former member shall not be eligible for early retirement.

38 6. The provisions of section 104.344 as applied under subsection 7 of section
39 104.1021 and section 104.1090 shall not apply to members covered by this section.

40 7. The normal and early retirement eligibility requirements in this section shall
41 apply for purposes of administering section 104.1087.

42 8. A member shall be required to contribute four percent of the member's pay to
43 the retirement system, which shall stand to the member's credit in his or her individual
44 account with the system, together with investment credits thereon, for purposes of funding
45 retirement benefits payable under the year 2000 plan, subject to the following provisions:

46 (1) The state of Missouri employer, under the provisions of 26 U.S.C. Section
47 414(h)(2), shall pick up and pay the contributions that would otherwise be payable by the
48 member under this section. The contributions so picked up shall be treated as employer
49 contributions for purposes of determining the member's pay that is includable in the
50 member's gross income for federal income tax purposes;

51 (2) Member contributions picked up by the employer shall be paid from the same
52 source of funds used for the payment of pay to a member. A deduction shall be made from
53 each member's pay equal to the amount of the member's contributions picked up by the
54 employer. This deduction, however, shall not reduce the member's pay for purposes of
55 computing benefits under the retirement system under this chapter;

56 (3) Member contributions so picked up shall be credited to a separate account
57 within the member's individual account so that the amounts contributed under this section
58 may be distinguished from the amounts contributed on an after-tax basis;

59 (4) The contributions, although designated as employee contributions, shall be paid
60 by the employer in lieu of the contributions by the member. The member shall not have
61 the option of choosing to receive the contributed amounts directly instead of having them
62 paid by the employer to the retirement system;

63 (5) Interest shall be credited annually on June thirtieth based on the value in the
64 account as of July first of the immediately preceding year at a rate of two percent. Interest
65 credits shall cease upon termination of employment if the member is not a vested former
66 member. Otherwise, interest credits shall cease upon retirement;

67 (6) A vested former member or a former member who is not vested may request a
68 refund of his or her contributions and interest credited thereon. If such member is
69 married at the time of such request, such request shall not be processed without consent
70 from the spouse. Such member is not eligible to request a refund if such member's
71 retirement benefit is subject to a division of benefit order under section 104.1051. Such
72 refund shall be paid by the system after ninety days from the date of termination of
73 employment or the request, whichever is later, and shall include all contributions made to
74 any retirement plan administered by the system and interest credited thereon. A vested
75 former member may not request a refund after such member becomes eligible for normal

76 retirement. A vested former member or a former member who is not vested who receives
77 a refund shall forfeit all the member's credited service and future rights to receive benefits
78 from the system and shall not be eligible to receive any long term disability benefits;
79 provided that any member or vested former member receiving long term disability benefits
80 shall not be eligible for a refund. If such member subsequently becomes an employee and
81 works continuously for at least one year, the credited service previously forfeited shall be
82 restored if the member returns to the system the amount previously refunded plus interest
83 at a rate established by the board;

84 (7) The beneficiary of any member who made contributions shall receive a refund
85 upon the member's death equal to the amount, if any, of such contributions less any
86 retirement benefits received by the member unless an annuity is payable to a survivor or
87 beneficiary as a result of the member's death. In that event, the beneficiary of the survivor
88 or beneficiary who received the annuity shall receive a refund upon the survivor's or
89 beneficiary's death equal to the amount, if any, of the member's contributions less any
90 annuity amounts received by the member and the survivor or beneficiary.

91 9. The employee contribution rate, the benefits provided under the year 2000 plan,
92 and any other provision of the year 2000 plan with regard to members covered under this
93 section may be altered, amended, increased, decreased, or repealed, but only with respect
94 to services rendered by the member after the effective date of such alteration, amendment,
95 increase, decrease, or repeal, or, with respect to interest credits, for periods of time after
96 the effective date of such alteration, amendment, increase, decrease, or repeal.

97 10. For purposes of members covered by this section, the options under section
98 104.1027 shall be as follows:

99 Option 1. A retiree's life annuity shall be reduced to a certain percent of the
100 annuity otherwise payable. Such percent shall be eighty-eight and one-half percent
101 adjusted as follows: if the retiree's age on the annuity starting date is younger than sixty-
102 five years, an increase of three-tenths of one percent for each year the retiree's age is
103 younger than age sixty-five years; and if the beneficiary's age is younger than the retiree's
104 age on the annuity starting date, a decrease of three-tenths of one percent for each year of
105 age difference; and if the retiree's age is younger than the beneficiary's age on the annuity
106 starting date, an increase of three-tenths of one percent for each year of age difference;
107 provided, after all adjustments, the option 1 percent cannot exceed ninety-four and one-
108 quarter percent. Upon the retiree's death, fifty percent of the retiree's reduced annuity
109 shall be paid to such beneficiary who was the retiree's spouse on the annuity starting date
110 or as otherwise provided by subsection 5 of this section.

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

Option 3. A retiree's life annuity shall be reduced to ninety-three percent of the annuity otherwise payable. If the retiree dies before having received one hundred twenty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred twenty-month period to the retiree's designated beneficiary provided that if there is no beneficiary surviving the retiree, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620. If the beneficiary survives the retiree but dies before receiving the remainder of such one hundred twenty monthly payments, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620.

Option 4. A retiree's life annuity shall be reduced to eighty-six percent of the annuity otherwise payable. If the retiree dies before having received one hundred eighty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred eighty-month period to the retiree's designated beneficiary provided that if there is no beneficiary surviving the retiree, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620. If the beneficiary survives the retiree but dies before receiving the remainder of such one hundred eighty monthly payments, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620.

11. The provisions of subsection 6 of section 104.1024 shall not apply to members covered by this section.

105.676. 1. As used in this section, the following terms mean:

(1) "Business ties", owning or controlling property or assets located in, having employees or facilities located in, providing goods or services to, obtaining goods or services from, having distribution agreements with, issuance of credit or loans to,

5 purchasing bonds or commercial paper issued by, investing in or having equity ties to or
6 with any country designated by the United States Department of State as state sponsors of
7 terrorism or any company domiciled in any country designated by the United States
8 Department of State as a state sponsor of terrorism or their affiliates thereof;

9 (2) "Company", any entity capable of affecting commerce, including but not
10 limited to a government, government agency, natural person, legal person, sole
11 proprietorship, partnership, firm, corporation, subsidiary, affiliate, franchisor, franchisee,
12 joint venture, trade association, financial institution, utility, public franchise, provider of
13 financial services, trust, or enterprise or any association thereof;

14 (3) "Independent research provider", a private United States company that has
15 submitted an affidavit to the state treasurer averring that:

16 (a) It specializes in identifying and assessing companies that are exposed to global
17 security risk;

18 (b) It offers credible research on corporate ties to any country designated by the
19 United States Department of State as a state sponsor of terrorism that has been maintained
20 and provided to the market for a minimum of two calendar years; and

21 (c) It does not have the potential for conflicts of interest stemming from investment
22 banking and corporate finance activities;

23 (4) Any country designated by the United States Department of State as a state
24 sponsor of terrorism.

25 2. Notwithstanding any provision of law to the contrary, any asset manager that
26 invests in international equities of publicly-traded foreign companies on behalf of the plan
27 shall attest semiannually in a written statement to the board that they do not hold on behalf
28 of the plan the stock of any foreign company that, according to a reputable independent
29 research provider specializing in global security risk assessment, has active business ties
30 to any country designated by the United States Department of State as a state sponsor of
31 terrorism that are nonhumanitarian in nature. The provisions of this section shall expire
32 with respect to each individual country, irrespective of the countries that still remain
33 prohibited, at such time that the President of the United States affirmatively and
34 unambiguously states by means of, but not limited to, enacted legislation, executive order,
35 or written certification from the President to the United States Congress that the United
36 States Department of State no longer recognizes certain countries as state sponsors of
37 terrorism.

38 3. Notwithstanding any law to the contrary, the plan and the board shall be exempt
39 from any conflicting statutory obligations, including any such obligations with respect to

40 **choice of asset managers, investment funds, or investments for the plan's securities**
41 **portfolios with respect to actions taken in compliance with this section, including all good**
42 **faith determinations regarding companies as required by this section.**

105.915. 1. The board of trustees of the Missouri state employees' retirement system
2 shall administer the deferred compensation fund for the employees of the state of Missouri that
3 was previously administered by the deferred compensation commission, as established in section
4 105.910, prior to August 28, 2007. The board shall be vested with the same powers that it has
5 under chapter 104, RSMo, to enable it and its officers, employees, and agents to administer the
6 fund under sections 105.900 to 105.927. Two of the commissioners serving on the deferred
7 compensation commission immediately prior to the transfer made to the board under section
8 105.910 shall serve as ex officio members of the board solely to participate in the duties of
9 administering the deferred compensation fund. One such commissioner serving as an ex officio
10 board member shall be a member of the house of representatives selected by the speaker of the
11 house of representatives, and such commissioner's service on the board shall cease on December
12 31, 2009. The other commissioner serving as an ex officio board member shall be the chairman
13 of the deferred compensation commission immediately prior to the transfer made to the board
14 under section 105.910, and such commissioner's service on the board shall cease December 31,
15 2008.

16 2. **Except as provided in this subsection,** participation in such plan shall be by a
17 specific written agreement between state employees and the state, which shall provide for the
18 deferral of such amounts of compensation as requested by the employee subject to any
19 limitations imposed under federal law. Participating employees must authorize that such
20 deferrals be made from their wages for the purpose of participation in such program. **An**
21 **election to defer compensation shall be made before the beginning of the month in which**
22 **the compensation is paid, and contributions shall be made effective for payroll periods**
23 **beginning on or after the first day of the month after the election is made. Beginning**
24 **September 1, 2010, each employee eligible to participate in the plan hired on or after**
25 **September 1, 2010, shall be enrolled in the plan automatically to have his or her employer**
26 **withhold and contribute to the plan an amount equal to the maximum appropriated state**
27 **contribution under section 105.927, but in no event shall such contribution be less than**
28 **twenty-five dollars per month, and contributions shall be made effective for payroll periods**
29 **beginning on or after the first day of the month following the date of hire, unless the**
30 **participating employee elects before such automatic enrollment date to change the**
31 **contribution or opt out of the plan. The contribution rate for employees who are**
32 **automatically enrolled and who do not subsequently elect to change that contribution rate**

33 shall adjust automatically based on any increase to the maximum appropriated state
34 contribution under section 105.927 that may occur after the initial automatic enrollment
35 unless the employee changes the contribution or opts out of the plan. Employees who are
36 employed by a state college or university shall not be automatically enrolled but may elect
37 to participate in the plan provided such election to defer compensation is made before the
38 beginning of the month in which the compensation is paid, and contributions shall be made
39 effective for payroll periods beginning on or after the first day of the month after the
40 election is made. Employees who are enrolled automatically may elect at any time to
41 contribute more or less than the automatic enrollment amount of contribution, as
42 permitted by the plan. Employees who opt out of the automatic enrollment may at a later
43 date elect to participate in the plan and make contributions effective for payroll periods
44 beginning on or after the first day of the month after the election is made. All assets and
45 income of such fund shall be held in trust by the board for the exclusive benefit of participants
46 and their beneficiaries. Assets of such trust may be pooled solely for investment management
47 purposes with assets of the trust established under section 104.320, RSMo.

48 3. Notwithstanding any other provision of sections 105.900 to 105.927, funds held for
49 the state by the board in accordance with written deferred compensation agreements between the
50 state and participating employees may be invested in such investments as are deemed appropriate
51 by the board. All administrative costs of the program described in this section, including staffing
52 and overhead expenses, may be paid out of assets of the fund, which may reduce the amount due
53 participants in the fund. Such investments shall not be construed to be a prohibited use of the
54 general assets of the state.

55 4. Investments offered under the deferred compensation fund for the employees of the
56 state of Missouri shall be made available at the discretion of the board.

57 5. The board and employees of the Missouri state employees' retirement system shall be
58 immune from suit and shall not be subject to any claim or liability associated with any
59 administrative actions or decisions made by the commission with regard to the deferred
60 compensation program prior to the transfer made to the board under section 105.910.

61 6. The board and employees of the system shall not be liable for the investment decisions
62 made or not made by participating employees as long as the board acts with the same skill,
63 prudence, and diligence in the selection and monitoring of providers of investment products,
64 education, advice, or any default investment option, under the circumstances then prevailing that
65 a prudent person acting in a similar capacity and familiar with those matters would use in the
66 conduct of a similar enterprise with similar aims.

67 7. The system shall be immune from suit and shall not be subject to any claim or liability
68 associated with the administration of the deferred compensation fund by the board and
69 employees of the system.

70 **8. Beginning on or after September 1, 2010, if a participant under the deferred**
71 **compensation plan or the plan established under section 105.927 is married, the**
72 **participant's surviving spouse shall be automatically designated as the primary beneficiary**
73 **under both plans, unless the surviving spouse consented in writing to allow the participant**
74 **to designate a nonspouse beneficiary. As used in this subsection, "surviving spouse" means**
75 **the individual of the opposite sex to whom the participant is lawfully married on the date**
76 **of death of the participant, provided that a former spouse shall be treated as the surviving**
77 **spouse of the participant to the extent provided under a judgment, decree, or order that**
78 **relates to child support, alimony payments, or marital property rights made under**
79 **Missouri domestic relations law that creates or recognizes the existence of such former**
80 **spouse's right to receive all or a portion expressed as a stated dollar amount or specific**
81 **percentage stated in integers of the benefits payable from such plan upon the death of the**
82 **participant. This subsection shall not apply to beneficiary designations made prior to**
83 **September 1, 2010.**

84 **9. The board may adopt and amend plan documents to change the terms and**
85 **conditions of the deferred compensation plan and the plan established under section**
86 **105.927 that are consistent with federal law.**

 105.927. 1. The treasurer of the state of Missouri shall credit an amount not to exceed
2 seventy-five dollars per month, to a plan established pursuant to the provisions of the Internal
3 Revenue Code Section 401(a) for each qualified participant in the state's deferred compensation
4 program; provided that funds to be credited to each qualified participant's account shall not
5 exceed the amount appropriated by the general assembly for each qualified participant. **Such**
6 **funds may be credited through a local payroll for qualified participants who are**
7 **compensated under a local payroll system.** Funds so credited shall be held, administered and
8 invested as provided in sections 105.900 to 105.925 and the plan document adopted for the
9 administration of such contributions.

10 2. For purposes of this section, "qualified participant" means an employee of the state
11 of Missouri who is making continuous deferrals of at least twenty-five dollars per month to the
12 deferred compensation program and has been an employee of the state of Missouri for at least
13 twelve consecutive months immediately preceding the commencement of any amount credited
14 pursuant to this section. The amount credited on behalf of a qualified participant pursuant to this

15 section shall not exceed the amount that the qualified participant contributes to his or her
16 deferred compensation plan.

169.020. 1. For the purpose of providing retirement allowances and other benefits for
2 public school teachers, there is hereby created and established a retirement system which shall
3 be a body corporate, shall be under the management of a board of trustees herein described, and
4 shall be known as "The Public School Retirement System of Missouri". Such system shall, by
5 and in such name, sue and be sued, transact all of its business, invest all of its funds, and hold
6 all of its cash, securities, and other property. The system so created shall include all school
7 districts in this state, except those in cities that had populations of four hundred thousand or more
8 according to the latest United States decennial census, and such others as are or hereafter may
9 be included in a similar system or in similar systems established by law and made operative;
10 provided, that teachers in school districts of more than four hundred thousand inhabitants who
11 are or may become members of a local retirement system may become members of this system
12 with the same legal benefits as accrue to present members of such state system on the terms and
13 under the conditions provided for in section 169.021. The system hereby established shall begin
14 operations on the first day of July next following the date upon which sections 169.010 to
15 169.130 shall take effect.

16 2. The general administration and the responsibility for the proper operation of the
17 retirement system and for making effective the provisions of sections 169.010 to 169.141 are
18 hereby vested in a board of trustees of seven persons as follows: four persons to be elected as
19 trustees by the members and retired members of the public school retirement system created by
20 sections 169.010 to 169.141 and the public education employee retirement system created by
21 sections 169.600 to 169.715; and three members appointed by the governor with the advice and
22 consent of the senate. The first member appointed by the governor shall replace the
23 commissioner of education for a term beginning August 28, 1998. The other two members shall
24 be appointed by the governor at the time each member's, who was appointed by the state board
25 of education, term expires.

26 3. Trustees appointed and elected shall be chosen for terms of four years from the first
27 day of July next following their appointment or election, except that one of the elected trustees
28 shall be a member of the public education employee retirement system and shall be initially
29 elected for a term of three years from July 1, 1991. The initial term of one other elected trustee
30 shall commence on July 1, 1992.

31 4. Trustees appointed by the governor shall be residents of school districts included in
32 the retirement system, but not employees of such districts or a state employee or a state elected
33 official. At least one trustee so appointed shall be a retired member of the public school

34 retirement system or the public education employee retirement system. Three elected trustees
35 shall be members of the public school retirement system and one elected trustee shall be a
36 member of the public education employee retirement system.

37 5. The elections of the trustees shall be arranged for, managed and conducted by the
38 board of trustees of the retirement system.

39 6. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the
40 unexpired term in the same manner as the office was previously filled.

41 7. Trustees of the retirement system shall serve without compensation but they shall be
42 reimbursed for expenses necessarily incurred through service on the board of trustees.

43 8. Each trustee shall be commissioned by the governor, and before entering upon the
44 duties of the trustee's office, shall take and subscribe to an oath or affirmation to support the
45 Constitution of the United States, and of the state of Missouri and to demean himself or herself
46 faithfully in the trustee's office. Such oath as subscribed to shall be filed in the office of secretary
47 of state of this state.

48 9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be
49 necessary for a decision by the trustees at any meeting of the board of trustees. Unless otherwise
50 expressly provided herein, a meeting need not be called or held to make any decision on a matter
51 before the board. Each member must be sent by the executive director a copy of the matter to
52 be decided with full information from the files of the board of trustees. The unanimous decision
53 of four trustees may decide the issue by signing a document declaring their decision and sending
54 such written instrument to the executive director of the board, provided that no other member
55 of the board of trustees shall send a dissenting decision to the executive director of the board
56 within fifteen days after such document and information was mailed to the trustee. If any
57 member is not in agreement with four members the matter is to be passed on at a regular board
58 meeting or a special meeting called for the purpose.

59 10. The board of trustees shall elect one of their number as chairman, and shall employ
60 a full-time executive director, not one of their number, who shall be the executive officer of the
61 board. Other employees of the board shall be chosen only upon the recommendation of the
62 executive director.

63 11. The board of trustees shall employ an actuary who shall be its technical advisor on
64 matters regarding the operation of the retirement system, and shall perform such duties as are
65 essential in connection therewith, including the recommendation for adoption by the board of
66 mortality and other necessary tables, and the recommendation of the level rate of contributions
67 required for operation of the system.

68 12. As soon as practicable after the establishment of the retirement system, and annually
69 thereafter, the actuary shall make a valuation of the system's assets and liabilities on the basis of
70 such tables as have been adopted.

71 13. At least once in the three-year period following the establishment of the retirement
72 system, and in each five-year period thereafter, the board of trustees shall cause to be made an
73 actuarial investigation into the mortality, service, and compensation experience of the members
74 and beneficiaries of the system, and shall make any changes in the mortality, service, and other
75 tables then in use which the results of the investigation show to be necessary.

76 14. Subject to the limitations of sections 169.010 to 169.141 and 169.600 to 169.715,
77 the board of trustees shall formulate and adopt rules and regulations for the government of its
78 own proceedings and for the administration of the retirement system.

79 15. The board of trustees shall determine and decide all questions of doubt as to what
80 constitutes employment within the meaning of sections 169.010 to 169.141 and 169.600 to
81 169.715, the amount of benefits to be paid to members, retired members, beneficiaries and
82 survivors and the amount of contributions to be paid by employer and employee. The executive
83 director shall notify by certified mail both employer and member, retired member, beneficiary
84 or survivor interested in such determination. Any member, retired member, beneficiary or
85 survivor, district or employer adversely affected by such determination, at any time within thirty
86 days after being notified of such determination, may appeal to the circuit court of Cole County.
87 Such appeal shall be tried and determined anew in the circuit court and such court shall hear and
88 consider any and all competent testimony relative to the issues in the case, which may be offered
89 by either party thereto. The circuit court shall determine the rights of the parties under sections
90 169.010 to 169.141 and 169.600 to 169.715 using the same standard provided in section
91 536.150, RSMo, and the judgment or order of such circuit court shall be binding upon the parties
92 and the board shall carry out such judgment or order unless an appeal is taken from such decision
93 of the circuit court. Appeals may be had from the circuit court by the employer, member, retired
94 member, beneficiary, survivor or the board, in the manner provided by the civil code.

95 16. The board of trustees shall keep a record of all its proceedings, which shall be open
96 to public inspection. It shall prepare annually a comprehensive annual financial report, the
97 financial section of which shall be prepared in accordance with applicable accounting standards
98 and shall include the independent auditor's opinion letter. The report shall also include
99 information on the actuarial status and the investments of the system. The reports shall be
100 preserved by the executive director and made available for public inspection.

101 17. The board of trustees shall provide for the maintenance of an individual account with
102 each member, setting forth such data as may be necessary for a ready determination of the

103 member's earnings, contributions, and interest accumulations. It shall also collect and keep in
104 convenient form such data as shall be necessary for the preparation of the required mortality and
105 service tables and for the compilation of such other information as shall be required for the
106 valuation of the system's assets and liabilities. All individually identifiable information
107 pertaining to members, retirees, beneficiaries and survivors shall be confidential.

108 18. The board of trustees shall meet regularly at least twice each year, with the dates of
109 such meetings to be designated in the rules and regulations adopted by the board. Such other
110 meetings as are deemed necessary may be called by the chairman of the board or by any four
111 members acting jointly.

112 19. The headquarters of the retirement system shall be in Jefferson City, where suitable
113 office space, utilities and other services and equipment necessary for the operation of the system
114 shall be provided by the board of trustees and all costs shall be paid from funds of the system.
115 All suits or proceedings directly or indirectly against the board of trustees, the board's members
116 or employees or the retirement system established by sections 169.010 to 169.141 or 169.600 to
117 169.715 shall be brought in Cole County.

118 20. The board may appoint an attorney or firm of attorneys to be the legal advisor to the
119 board and to represent the board in legal proceedings, however, if the board does not make such
120 an appointment, the attorney general shall be the legal advisor of the board of trustees, and shall
121 represent the board in all legal proceedings.

122 21. The board of trustees shall arrange for adequate surety bonds covering the executive
123 director. When approved by the board, such bonds shall be deposited in the office of the
124 secretary of state of this state.

125 22. The board shall arrange for annual audits of the records and accounts of the system
126 by a firm of certified public accountants[,] . The state auditor [shall review the audit of the
127 records and accounts of] **may audit** the system at least once every three years and shall report
128 the results to the board of trustees and the governor.

129 23. The board by its rules may establish an interest charge to be paid by the employer
130 on any payments of contributions which are delinquent. The rate charged shall not exceed the
131 actuarially assumed rate of return on invested funds of the pertinent system.

476.521. 1. Notwithstanding any provision of chapter 476 to the contrary, each
2 **person who first becomes a judge on or after February 1, 2011, and continues to be a judge**
3 **may receive benefits as provided in sections 476.445 to 476.688 subject to the provisions of**
4 **this section.**

5 **2. Any person who is at least sixty-five years of age, has served in this state an**
6 **aggregate of at least twelve years, continuously or otherwise, as a judge, and ceases to hold**

7 office by reason of the expiration of the judge's term, voluntary resignation, or retirement
8 under the provisions of subsection 2 of section 24 of article V of the Constitution of
9 Missouri, may receive benefits as provided in sections 476.515 to 476.565. The twelve-year
10 requirement of this subsection may be fulfilled by service as judge in any of the courts
11 covered, or by service in any combination as judge of such courts, totaling an aggregate of
12 twelve years. Any judge who is at least sixty-five years of age and who has served less than
13 twelve years and is otherwise qualified under sections 476.515 to 476.565 may retire after
14 reaching age sixty-five, or thereafter, at a reduced retirement compensation in a sum equal
15 to the proportion of the retirement compensation provided in section 476.530 that his or
16 her period of judicial service bears to twelve years.

17 3. Any person who is at least sixty years of age or older, has served in this state an
18 aggregate of at least twenty years, continuously or otherwise, as a judge, and ceases to hold
19 office by reason of the expiration of the judge's term, voluntary resignation, or retirement
20 under the provisions of subsection 2 of section 24 of article V of the Constitution of
21 Missouri, may receive benefits as provided in sections 476.515 to 476.565. The twenty-year
22 requirement of this subsection may be fulfilled by service as a judge in any of the courts
23 covered, or by service in any combination as judge of such courts, totaling an aggregate of
24 twenty years. Any judge who is at least sixty years of age and who has served less than
25 twenty years and is otherwise qualified under sections 476.515 to 476.565 may retire after
26 reaching age sixty, at a reduced retirement compensation in a sum equal to the proportion
27 of the retirement compensation provided in section 476.530 that his or her period of
28 judicial service bears to twenty years.

29 4. All judges under this section required by the provisions of section 26 of article
30 V of the Constitution of Missouri to retire at the age of seventy years shall retire upon
31 reaching that age.

32 5. The provisions of sections 104.344, 476.524, and 476.690 shall not apply to judges
33 covered by this section.

34 6. A judge shall be required to contribute four percent of the judge's compensation
35 to the retirement system, which shall stand to the judge's credit in his or her individual
36 account with the system, together with investment credits thereon, for purposes of funding
37 retirement benefits payable as provided in sections 476.515 to 476.565, subject to the
38 following provisions:

39 (1) The state of Missouri employer, under the provisions of 26 U.S.C. Section
40 414(h)(2), shall pick up and pay the contributions that would otherwise be payable by the
41 judge under this section. The contributions so picked up shall be treated as employer

42 contributions for purposes of determining the judge's compensation that is includable in
43 the judge's gross income for federal income tax purposes;

44 (2) Judge contributions picked up by the employer shall be paid from the same
45 source of funds used for the payment of compensation to a judge. A deduction shall be
46 made from each judge's compensation equal to the amount of the judge's contributions
47 picked up by the employer. This deduction, however, shall not reduce the judge's
48 compensation for purposes of computing benefits under the retirement system under this
49 chapter;

50 (3) Judge contributions so picked up shall be credited to a separate account within
51 the judge's individual account so that the amounts contributed under this section may be
52 distinguished from the amounts contributed on an after-tax basis;

53 (4) The contributions, although designated as employee contributions, are being
54 paid by the employer in lieu of the contributions by the judge. The judge shall not have
55 the option of choosing to receive the contributed amounts directly instead of having them
56 paid by the employer to the retirement system;

57 (5) Interest shall be credited annually on June thirtieth based on the value in the
58 account as of July first of the immediately preceding year at a rate of two percent. Interest
59 credits shall cease upon retirement of the judge;

60 (6) A judge whose employment is terminated may request a refund of his or her
61 contributions and interest credited thereon. If such judge is married at the time of such
62 request, such request shall not be processed without consent from the spouse. A judge is
63 not eligible to request a refund if the judge's retirement benefit is subject to a division of
64 benefit order under section 104.312. Such refund shall be paid by the system after ninety
65 days from the date of termination of employment or the request, whichever is later and
66 shall include all contributions made to any retirement plan administered by the system and
67 interest credited thereon. A judge may not request a refund after such judge becomes
68 eligible for retirement benefits under sections 476.515 to 476.565. A judge who receives a
69 refund shall forfeit all the judge's service and future rights to receive benefits from the
70 system and shall not be eligible to receive any long-term disability benefits; provided that
71 any judge or former judge receiving long-term disability benefits shall not be eligible for
72 a refund. If such judge subsequently becomes a judge and works continuously for at least
73 one year, the service previously forfeited shall be restored if the judge returns to the system
74 the amount previously refunded plus interest at a rate established by the board;

75 (7) The beneficiary of any judge who made contributions shall receive a refund
76 upon the judge's death equal to the amount, if any, of such contributions less any

77 retirement benefits received by the judge unless an annuity is payable to a survivor or
78 beneficiary as a result of the judge's death. In that event, the beneficiary of the survivor
79 or beneficiary who received the annuity shall receive a refund upon the survivor's or
80 beneficiary's death equal to the amount, if any, of the judge's contributions less any
81 annuity amounts received by the judge and the survivor or beneficiary.

82 7. The employee contribution rate, the benefits provided under sections 476.515 to
83 476.565, and any other provision of sections 476.515 to 476.565 with regard to judges
84 covered under this section may be altered, amended, increased, decreased, or repealed, but
85 only with respect to services rendered by the judge after the effective date of such
86 alteration, amendment, increase, decrease, or repeal, or, with respect to interest credits, for
87 periods of time after the effective date of such alteration, amendment, increase, decrease,
88 or repeal.

476.527. Any judge who is receiving retirement compensation under section 476.530
2 who becomes employed on or after February 1, 2011, as an employee eligible to participate
3 in the year 2000 plan under chapter 104 shall not receive such retirement compensation
4 for any calendar month in which the retired judge is so employed. Any judge who is
5 receiving retirement compensation under section 476.530 who subsequently serves as a
6 judge as defined under subdivision (4) of subsection 1 of section 476.515 shall not receive
7 such retirement compensation for any calendar month in which the retired judge is serving
8 as a judge; except that upon retirement such judge's annuity shall be recalculated to
9 include any additional service or salary accrued based on the judge's subsequent service.
10 A judge who is receiving compensation under section 476.530 may continue to receive such
11 retirement compensation while serving as a senior judge or senior commissioner and shall
12 receive additional credit and salary for such service under section 476.682.

476.529. 1. In lieu of the retirement compensation provided in section 476.530, a
2 judge employed for the first time on or after February 1, 2011, may elect in the judge's
3 application for retirement whether or not to have such judge's annuity reduced, and
4 designate a beneficiary, as provided by the options set forth in this subsection prior to the
5 judge's annuity starting date:

6 Option 1. A judge's annuity shall be reduced to a certain percent of the annuity
7 otherwise payable. Such percent shall be eighty-eight and one-half percent adjusted as
8 follows: if the judge's age on the annuity starting date is younger than sixty-five years, an
9 increase of three-tenths of one percent for each year the judge's age is younger than age
10 sixty-five years; and if the beneficiary's age is younger than the judge's age on the annuity
11 starting date, a decrease of three-tenths of one percent for each year of age difference; and

12 if the judge's age is younger than the beneficiary's age on the annuity starting date, an
13 increase of three-tenths of one percent for each year of age difference; provided, after all
14 adjustments the option 1 percent cannot exceed ninety-four and one-quarter percent.
15 Upon the judge's death, fifty percent of the judge's reduced annuity shall be paid to such
16 beneficiary who was the judge's spouse on the annuity starting date or as otherwise
17 provided by subsection 5 of this section.

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

30 **Option 3.** A judge's life annuity shall be reduced to ninety-three percent of the
31 annuity otherwise payable. If the judge dies before having received one hundred twenty
32 monthly payments, the reduced annuity shall be continued for the remainder of the one
33 hundred twenty-month period to the judge's designated beneficiary provided that if there
34 is no beneficiary surviving the judge, the present value of the remaining annuity payments
35 shall be paid as provided under subsection 4 of section 104.1054 as if the judge was a
36 deceased member under that section. If the beneficiary survives the judge but dies before
37 receiving the remainder of such one hundred twenty monthly payments, the present value
38 of the remaining annuity payments shall be paid as provided under subsection 4 of section
39 104.1054 for a deceased beneficiary under that section.

40 **Option 4.** A judge's life annuity shall be reduced to eighty-six percent of the
41 annuity otherwise payable. If the judge dies before having received one hundred eighty
42 monthly payments, the reduced annuity shall be continued for the remainder of the one
43 hundred eighty-month period to the judge's designated beneficiary provided that if there
44 is no beneficiary surviving the judge, the present value of the remaining annuity payments
45 shall be paid as provided under subsection 4 of section 104.1054 as if the judge was a
46 deceased member under that section. If the beneficiary survives the judge but dies before

47 receiving the remainder of such one hundred eighty monthly payments, the present value
48 of the remaining annuity payments shall be paid as provided under subsection 4 of section
49 104.1054 for a deceased beneficiary under that section.

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

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

61 4. If a judge designates a spouse as a beneficiary under this section and
62 subsequently that marriage ends as a result of a dissolution of marriage, such dissolution
63 shall not affect the option election under this section and the former spouse shall continue
64 to be eligible to receive survivor benefits upon the death of the judge.

65 5. A judge may make an election under option 1 or 2 after the annuity starting date
66 as described in this section if the judge makes such election within one year from the date
67 of marriage pursuant to any of the following circumstances:

68 (1) The judge elected to receive a life annuity and was not eligible to elect option
69 1 or 2 on the annuity starting date; or

70 (2) The judge's annuity reverted to a normal or early retirement annuity under
71 subsection 3 of this section, and the judge remarried.

72 6. A judge may change a judge's election made under this section at any time prior
73 to the system mailing or electronically transferring the first annuity payment to such
74 member.

Section 1. No person within the second degree of consanguinity or affinity of a
2 current board member of the Missouri state employees' retirement system shall be
3 employed by, volunteer with, act as a lobbyist or consultant for, or otherwise be engaged
4 in any employment activity with the Missouri state employees' retirement system.

Section B. Because immediate action is necessary to address the current fiscal crisis, the
2 enactment of Sections 104.405 and 104.406 of section A of this act is deemed necessary for the
3 immediate preservation of the public health, welfare, peace, and safety, and is hereby declared

4 to be an emergency act within the meaning of the constitution, and the enactment of Sections
5 104.405 and 104.406 of section A of this act shall be in full force and effect upon its passage and
6 approval.

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