HOUSE BILL NO. 1331

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JONES (117) (Sponsor), HOUGHTON, RICHARDSON, HOUGH, WEBBER, BERNSKOETTER AND ELMER (Co-sponsors).

5027L.01P   D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 104.603, RSMo, and to enact in lieu thereof one new section relating to reciprocal transfer of creditable service for state retirement systems.

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

Section A. Section 104.603, RSMo, is repealed and one new section enacted in lieu
2 thereof, to be known as section 104.603, to read as follows:

104.603. 1. Effective with transfers of service between the Missouri department of
2 transportation and highway patrol employees' retirement system and the Missouri state
3 employees' retirement system that occur on or after September 1, 2011, upon a reciprocal transfer
4 of creditable or credited service pursuant to section 104.602 or subsection 8 of section 104.1021,
5 the sending system from which the service is transferred shall pay the receiving system to which
6 the service is transferred the present value of the accrued benefit as determined pursuant to
7 subsection 2 of this section.

8   2. For purposes of this section, the present value of the accrued benefit shall be
9 determined using the actuarial assumptions of the sending system used in that system's last
10 regular valuation assuming active member status and using the unit credit actuarial cost method.
11 However, in no event shall the payment amount be less than the sum of the member's
12 accumulated contributions and interest plus any purchased service payments from the member
13 held on deposit by the sending system. If the member had received a refund of accumulated
14 contributions from the sending system and forfeited service credit with that system, the member
15 would need to reestablish that service with the sending system by again becoming an active

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

16 member of a system covered by this chapter and satisfying requirements otherwise stipulated for
17 reestablishing service credit. **However, in the event the member had previously transferred**
18 **service from the receiving system to the sending system which was not subject to an asset**
19 **transfer under this section, then that service will be excluded from the computation of the**
20 **accrued benefit. In the event any prior payments by a sending system under this section**
21 **included an amount for previously transferred service that was not subject to this section,**
22 **the receiving system shall return to the sending system the present value amount**
23 **attributable to such service, including interest as determined and agreed to by both**
24 **systems.**
25   3. The service transfer shall not be deemed completed until the sending system makes
26 payment to the receiving system as prescribed in this section. Payments shall be made within
27 ninety days of the date that a completed transfer request is submitted by a member.
28   4. When the transfer payment includes an amount identified as corresponding to a
29 member's accumulated contributions, the accumulated contributions portion shall be identified,
30 and further, the accumulated contributions balance as of the preceding July first shall be
31 identified and the receiving system shall be responsible for crediting interest according to the
32 terms of the receiving plan.
33   5. The systems shall coordinate their plan administration for reciprocal transfers to give
34 full effect to the transfer including the transfer and acceptance of corresponding division of
35 benefit orders.
36   6. The member or survivor obtaining a reciprocal transfer of service covered by this
37 section shall satisfy all requirements under section 104.602 or subsection 8 of section 104.1021
38 to obtain a transfer of credited or creditable service and shall satisfy the requirements under
39 section 104.1091 with the receiving system to reestablish forfeited service previously accrued
40 at either system.

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