

SECOND REGULAR SESSION

SENATE BILL NO. 928

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR STOLL

Read 1st time January 27, 2000, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4147S.011

AN ACT

To repeal sections 104.140 and 104.345, RSMo 1994, and sections 104.010, 104.090, 104.103, 104.335, 104.344, 104.350, 104.372, 104.380, 104.395, 104.420, 104.517, 104.610, 104.1015, 104.1024, 104.1027, 104.1042, 104.1072 and 104.1090, RSMo Supp. 1999, relating to certain retirement systems, and to enact in lieu thereof twenty new sections relating to the same subject, with an emergency clause.

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

Section A. Sections 104.140 and 104.345, RSMo 1994, and sections 104.010, 104.090, 104.103, 104.335, 104.344, 104.350, 104.372, 104.380, 104.395, 104.420, 104.517, 104.610, 104.1015, 104.1024, 104.1027, 104.1042, 104.1072 and 104.1090, RSMo Supp. 1999, are repealed and twenty new sections enacted in lieu thereof, to be known as sections 104.010, 104.090, 104.103, 104.140, 104.335, 104.344, 104.345, 104.350, 104.372, 104.380, 104.395, 104.420, 104.517, 104.610, 104.1015, 104.1024, 104.1027, 104.1042, 104.1072 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;

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

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

time;

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

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

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

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

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

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

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

(12) "Compensation":

(a) All salary and wages payable out of any state, federal, trust, or other funds to an employee for personal services performed for a department; but including only amounts for which contributions have been made in accordance with section 104.436, or section 104.070, whichever is applicable, and excluding any nonrecurring single sum payments or amounts paid after the member's termination of employment unless such amounts paid after such termination are a final installment of salary or wages at the same rate as in effect immediately prior to termination of employment in accordance with a state payroll system adopted on or after January 1, 2000, or any other one-time payments made as a result of such payroll system;

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

employing department;

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

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

(14) "Creditable prior service", the service of an employee which was either rendered prior to the establishment of a system, or prior to the date the employee last became a member of a system, and which is recognized in determining the member's eligibility and for the amount of the member's benefits under a system; **except that in no case shall more than one day of creditable service or creditable prior service be credited any member for any one calendar day of eligible service credit as provided by law;**

(15) "Creditable service", the sum of membership service and creditable prior service, to the extent such service is standing to a member's credit as provided in this chapter;

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

(17) "Department", any department, institution, board, commission, officer, court, or any agency of the state government receiving state appropriations, including allocated funds from the federal government, and having power to certify payrolls authorizing payments of salary or wages against appropriations made by the federal government or the state legislature from any state fund, or against trusts or allocated funds held by the state treasurer;

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

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

(20) "Employee":

(a) Any elective or appointive officer or person employed by the state who is employed, promoted or transferred by a department into a new or existing position and earns a salary or wage in a position normally requiring the performance by the person of duties during not less than one thousand hours per year, including each member of the general assembly but not including any patient or inmate of any state, charitable, penal or correctional institution. However, persons

who are members of the public school retirement system and who are employed by a state agency other than an institution of higher learning shall be deemed employees for purposes of participating in all insurance programs administered by a board established pursuant to section 104.450. This definition shall not exclude any employee as defined in this subdivision who is covered only under the federal Old Age and Survivors' Insurance Act, as amended. As used in this chapter, the term "employee" shall include:

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

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

(b) Any person who has performed services in the employ of the general assembly or either house thereof, or any employee of any member of the general assembly while acting in the person's official capacity as a member, and whose position does not normally require the person to perform duties during at least one thousand hours per year, with a month of service being any monthly pay period in which the employee was paid for full-time employment for that monthly period;

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

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

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

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

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

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

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

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

(27) "Member", as used in sections 104.010 to 104.270 or 104.600 to 104.800 shall mean a member of the **highways and transportation [department] employees'** and highway patrol retirement system without regard to whether or not the member has been retired. "Member", as used in sections 104.010 and 104.320 to 104.800, shall mean a member of the Missouri state employees' retirement system without regard to whether or not the member has been retired;

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

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

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

(31) "Normal retirement age", an employee's attainment of sixty-five years of age and the completion of four years of creditable service or the attainment of age sixty-five years of age and the completion of five years of creditable service by a member who has terminated employment and is entitled to a deferred normal annuity or the member's attainment of age sixty and the completion of fifteen years of creditable service, except that normal retirement age for uniformed members of the highway patrol shall be fifty-five years of age and the completion of four years of creditable service and uniformed employees of the water patrol shall be fifty-five years of age and the completion of four years of creditable service or the attainment of age fifty-five and the completion of five years of creditable service by a member of the water patrol who has terminated employment and is entitled to a deferred normal annuity and members of the general assembly shall be fifty-five years of age and the completion of three full biennial assemblies. Notwithstanding any other provision of law to the contrary, a member of the [Missouri] **highways and** transportation [department] **employees'** and highway patrol retirement system or a member of the Missouri state employees' retirement system shall be entitled to retire with a normal annuity and shall be entitled to elect any of the survivor benefit options and shall also be entitled to any other provisions of this chapter that relate to retirement with a normal annuity if the sum of the member's age and creditable service equals eighty years or more and if the member is at least fifty years of age;

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

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

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

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

(36) "System" or "retirement system", the **highways and** transportation [department] employees' and highway patrol retirement system, as created by sections 104.010 to 104.270, or sections 104.600 to 104.800, or the Missouri state employees' retirement system as created by sections 104.320 to 104.800;

(37) "Uniformed members of the highway patrol", the superintendent, lieutenant colonel,

majors, captains, director of radio, lieutenants, sergeants, corporals, and patrolmen of the Missouri state highway patrol who normally appear in uniform;

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

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

2. Benefits paid pursuant to the provisions of this chapter shall not exceed the limitations of Internal Revenue Code Section 415, the provisions of which are hereby incorporated by reference.

104.090. 1. The normal annuity of a member shall equal one and six-tenths percent of the average compensation of the member multiplied by the number of years of creditable service of such member. In addition, the normal annuity of a uniformed member of the patrol shall be increased by thirty-three and one-third percent.

2. In addition, a uniformed member of the highway patrol who is retiring with a normal annuity after attaining normal retirement age shall receive an additional sum of ninety dollars per month as a contribution by the system until such member attains the age of sixty-five years, when such contribution shall cease. To qualify for the contribution provided in this subsection by the system, the retired uniformed member of the highway patrol is made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging and other state matters. Such additional contribution shall be reduced each month by such amount earned by the retired uniformed member of the highway patrol in gainful employment. In order to qualify for the additional contribution provided in this subsection, the retired uniformed member of the highway patrol shall have been:

- (1) Hired by the Missouri state highway patrol prior to January 1, 1995; and
- (2) Employed by the Missouri state highway patrol or receiving long-term disability or work-related disability benefits on the day before the effective date of the member's retirement.

3. In lieu of the annuity payable to the member pursuant to section 104.100, a member whose age at retirement is fifty or more may elect in the member's application for retirement to receive either:

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

Option 2. The member's normal annuity in regular monthly payments for life during retirement with the provision that upon the member's death a survivor's benefit equal to one-half

the member's normal annuity at date of death shall be paid to the member's spouse in regular monthly payments for life; or

Option 3. An actuarial reduction approved by the board of normal annuity in reduced monthly payments for the member's life with the provision that if the member dies prior to the member's having received one hundred twenty monthly payments of the member's reduced annuity, the member's reduced allowance to which the member would have been entitled had the member lived shall be paid for the remainder of the one hundred twenty-month period to such person as the member shall have nominated by written designation duly executed and filed with the board. If there is no beneficiary surviving the retirant, the reserve for such allowance for the remainder of such one hundred twenty-month period shall be paid to the retirant's estate; or

Option 4. An actuarial reduction approved by the board of the member's normal annuity in reduced monthly payments for the member's life with the provision that if the member dies prior to the member having received sixty monthly payments of the member's reduced annuity, the member's reduced allowance to which the member would have been entitled had the member lived shall be paid for the remainder of the sixty-month period to such person as the member shall have nominated by written designation duly executed and filed with the board. If there is no beneficiary surviving the retirant, the reserve for such allowance for the remainder of such sixty-month period shall be paid to the retirant's estate.

4. The election may be made only in the application for retirement, and such application shall be filed at least thirty days, but not more than ninety days prior to the date on which the retirement of the member is to be effective, provided that if either the member or the spouse nominated to receive the survivorship payment dies before the effective date of retirement, the election shall not be effective. If after the reduced annuity commences, the spouse predeceases the retired member, the reduced annuity continues to the retired member during the member's lifetime.

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

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

(2) The member's annuity reverted to a normal annuity pursuant to subsection 8 of section 104.103 and the member remarried; or

(3) The member elected option 1 or 2 but the member's spouse at the time of retirement has died and the member has remarried.

6. Any person who terminates employment or retires prior to July 1, 2000, shall be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging, and other state matters, and for such services shall

be eligible to elect to receive the benefits described in subsection 5 of this section.

104.103. 1. Each member who was employed prior to August 28, 1997, and retires on or after May 12, 1981, shall receive each year a percentage increase in the amount of benefits received by the member during the preceding year of eighty percent of the increase in the consumer price index determined in the manner hereinafter provided. Any such annual benefit increase, however, shall not exceed five percent, nor be less than four percent, and the total increase in the amount of benefits received pursuant to the provisions of this section shall not exceed sixty-five percent of the initial monthly benefit which the member received upon retirement or the benefit received immediately prior to October 1, 1986, whichever is later.

2. Each member who is employed for the first time on or after August 28, 1997, and retires shall be entitled annually to a percentage increase in the retirement benefit payable equal to eighty percent of the increase in the consumer price index. Such benefit increase, however, shall not exceed five percent of the retirement benefit payable prior to the increase.

3. Each member who is employed before August 28, 1997, and terminates employment or retires after that date shall be entitled to the annual benefit increase described in subsection 1 of this section. For such members, the annual benefit increase described in subsection 2 of this section shall not be effective until the year in which the member reaches the limit on total annual benefit increases provided by subsection 1 of this section. After that year, the member shall receive the annual benefit increase described in subsection 2 of this section.

4. Survivors of members described in subsection 2 of this section shall be entitled to the annual benefit increase described in that subsection.

5. For the purposes of this section, any increase in the consumer price index shall be determined in January of each year, based upon the percentage increase of (a) the consumer price index for the preceding calendar year over (b) the consumer price index for the calendar year immediately prior thereto. Any increase so determined shall be applied in calculating any benefit increases that become payable under this section during the calendar year in which the determination is made and in no case shall the percentage be less than zero.

6. An annual increase, if any is due under either this section or section 104.612 for special consultants with the **highways and** transportation [department] employees' and highway patrol retirement system, shall be payable monthly beginning on a date specified by the board.

7. For members who retire on or after [August 28, 1994] **July 1, 2000**, in the event such member has chosen a joint and survivor option under the provisions of section 104.090 and the member's eligible spouse precedes the member in death, the member's benefit shall revert, effective the first of the month following [receipt by] **the death of the spouse regardless of when** the board [of a] **receives the member's** written application for the benefit provided in this subsection, to an amount equal to the member's normal annuity, as adjusted for early retirement if applicable; such benefit shall include any increases the member would have received since the

date of retirement had the member elected a normal annuity. In no event shall retroactive benefits be paid.

8. Effective on or after [August 28, 1994] **July 1, 2000**, any retired member who had elected a joint and survivor payment option and whose spouse precedes or preceded the member in death, shall upon application to the board be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging and other state matters. As a special consultant under the provisions of this subsection, the member's reduced benefit will revert to a normal annuity as adjusted for early retirement if applicable, effective the first of the month following [receipt by] **the death of the spouse regardless of when** the board [of a] **received the member's** written application; such benefit shall include any increases the retired member would have received since the date of retirement had the member elected a normal annuity. In no event shall retroactive benefits be paid.

104.140. 1. If a member who has [ten] **five** or more years of creditable service dies before retirement, his surviving spouse, if named as his beneficiary and had been married to the deceased member [at least two years prior to] **on the date of** the member's death, or his surviving unemancipated children under the age of twenty-one, if named as beneficiary or beneficiaries, shall receive a total monthly payment equal to fifty percent of the deceased member's accrued monthly benefit calculated as if the member were of normal retirement age as of his date of death. If the surviving spouse dies leaving any unemancipated children under the age of twenty-one years, the payment shall continue until the children become emancipated or reach twenty-one years of age.

2. Effective January 1, 1985, if an employee who has three or more, but less than ten years of creditable service, dies before retirement, the surviving spouse of the deceased employee, if named as beneficiary and had been married to the deceased employee [at least two years prior to] **on the date of** the employee's death, or the deceased employee's surviving unemancipated children under the age of twenty-one, if named as beneficiary or beneficiaries, shall receive a total monthly payment equal to twenty-five percent of the deceased employee's accrued monthly benefit calculated as if the employee were of normal retirement age as of the date of death. Such benefit shall be increased by five-twelfths of one percent for each month of service in excess of five years. If the surviving spouse dies leaving any unemancipated children under the age of twenty-one years, the payment shall continue until the children become emancipated or reach twenty-one years of age. If there is no surviving spouse eligible for benefits under this subsection, but there are any unemancipated children of the deceased employee eligible for payments, the payments shall continue until the children become emancipated or reach twenty-one years of age. Any benefits payable to unemancipated children under twenty-one years of age shall be made on a pro rata basis among the surviving unemancipated children under twenty-one years of age.

3. For the purpose of computing the amount of a benefit payable pursuant to

this section, if the board finds that the death was the natural and proximate result of a personal injury or disease arising out of and in the course of the member's actual performance of duty as an employee, then the minimum benefit to such member's surviving spouse or, if no surviving spouse benefits are payable, the minimum benefit that shall be divided among and paid to such member's surviving unemancipated children under the age of twenty-one shall be fifty percent of the member's final average compensation. The service requirements of subsections 1 and 2 of this section shall not apply to any benefit payable pursuant to this subsection.

104.335. 1. Any member, whose employment terminated prior to September 1, 1972, and (a) who had served at least three full biennial assemblies as a member of the general assembly, or (b) who was other than a member of the general assembly and who had fifteen or more years of vesting service shall be entitled to a deferred normal annuity based on the member's creditable service, average compensation and the law in effect at the time the member's employment was terminated.

2. (1) Any member, whose employment terminated on or after September 1, 1972, and prior to July 1, 1981, and (a) who had served at least three full biennial assemblies as a member of the general assembly, or (b) who was other than a member of the general assembly and who had fifteen or more years of vesting service or who had ten or more years of vesting service and was at least thirty-five years of age at the date of termination of employment shall be entitled to a deferred normal annuity based on the member's creditable service, average compensation and the law in effect at the time the member's employment was terminated.

(2) Any member, whose employment terminated on or after July 1, 1981, and (a) who had served at least three full biennial assemblies as a member of the general assembly, or (b) who was other than a member of the general assembly and who had ten or more years of vesting service at the date of termination of employment shall be entitled to a deferred normal annuity based on the member's creditable service, average compensation and the law in effect at the time the member's employment was terminated.

(3) Any member, whose employment terminated on or after September 1, 1972, and who had four or more years of vesting service as governor, lieutenant governor, secretary of state, auditor, treasurer, or attorney general of this state shall be entitled to a deferred normal annuity based on the member's creditable service, average compensation and the law in effect at the time the member's employment was terminated.

(4) Any member whose employment terminated on or after September 28, 1985, and who (a) had served less than three full biennial assemblies as a member of the general assembly, and (b) has less than ten years of vesting service as an employee other than a member of the general assembly shall be entitled to two years of vesting service for each full biennial assembly in which the member served plus an additional amount of vesting service for each partial biennial assembly

served, which amount shall be equal to the pro rata portion of the biennial assembly so served. The total amount of vesting service provided for in this subdivision shall be used to calculate the deferred normal annuity or deferred partial annuity to which such member is entitled based on the member's creditable service, which includes all service designated as vesting service under this subdivision, the member's average compensation, and the law in effect at the time the member's employment was terminated.

3. Any member whose employment terminated on or after October 1, 1984, but before September 28, 1992, and who was other than a member of the general assembly and who has five or more years of vesting service as an employee at the date of termination of employment shall be entitled to a deferred partial annuity based on the member's creditable service, average compensation, and the law in effect at the time the member's employment was terminated, in the following amounts:

(1) An employee with at least five years of vesting service, but less than six years, is entitled to fifty percent of the amount payable as a deferred normal annuity;

(2) An employee with six years of vesting service, but less than seven years, is entitled to sixty percent of the amount payable as a deferred normal annuity;

(3) An employee with seven years of vesting service, but less than eight years, is entitled to seventy percent of the amount payable as a deferred normal annuity;

(4) An employee with eight years of vesting service, but less than nine years, is entitled to eighty percent of the amount payable as a deferred normal annuity;

(5) An employee with nine years of vesting service, but less than ten years, is entitled to ninety percent of the amount payable as a deferred normal annuity.

4. Any member whose employment terminated on or after September 28, 1992, and who was other than a member of the general assembly and who has five or more years of vesting service as an employee at the date of termination of employment shall be entitled to a deferred normal annuity based on the member's creditable service, average compensation, and the law in effect at the time the member's employment was terminated.

5. Any member who is entitled to a deferred normal annuity as provided in subsection 1, 2, 3, or 4 of this section and who reenters the service of a department and again becomes a member of the system [for one or more continuous years of membership service] shall have the member's prior period of vesting service combined with the member's current membership service, so that any benefits that may become payable under this system by reason of the member's retirement or subsequent withdrawal will recognize such prior period of vesting service.

6. (1) A vested member, an administrative law judge or legal advisor as defined in section 287.812, RSMo, or a judge as defined in section 476.515, RSMo, who has terminated all employment with the state of Missouri for a period of six months or longer, may make a one-time election for the system to pay the present value of a deferred annuity or a benefit as defined in

section 287.812, RSMo, or section 476.515, RSMo, if the amount of such terminated member's or person's creditable service is less than ten years, and if such terminated member or person is not within five years of eligibility for receiving an annuity or benefit. Any such member, administrative law judge, legal advisor or judge who terminates employment on or after August 28, 1997, shall be eligible for the one-time election provided for in this subsection only if the present value of the deferred annuity does not exceed ten thousand dollars. The present value shall be actuarially determined by the system. Except as provided in subdivision (2) of this subsection, any payment so made shall be a complete discharge of the existing liability of the system with respect to such terminated member or person.

(2) Upon subsequent employment [for a period of twelve consecutive months] in a position covered under a system administered by the Missouri state employees' retirement system, the employee, administrative law judge or judge may elect, within [ninety days after] **one year of** such twelve-month period **employment**, to purchase creditable service equal to the amount of creditable service surrendered due to a payment as specified in this subsection. The cost of such purchase shall be actuarially determined by the system, and shall be paid over a period of not longer than two years from the date of election, with interest on the unpaid balance.

7. Any individual, covered by a retirement plan identified in chapter 104, chapter 287 or chapter 476, RSMo, who terminated employment prior to August 28, 1993, shall, upon application to the board of trustees of the Missouri state employees' retirement system, be made, constituted and appointed and employed by the board as a special consultant on the problems of retirement, aging and other state matters for the remainder of the person's life. Upon request of the board or the court from which the person retired, the consultant shall give opinions or be available to give opinions in writing or orally in response to such requests. As compensation for such services, the consultant shall be eligible to purchase or transfer, prior to retirement, creditable service as set forth in section 105.691, RSMo.

104.344. Notwithstanding any other law to the contrary, any person who is actively employed by the state of Missouri in a position covered by a retirement plan administered by the Missouri state employees' retirement system and who had nonfederal full-time public employment in the state of Missouri **or who had provided full-time services to the state of Missouri**, and who by virtue of such employment was a member of a retirement system other than the Missouri state employees' retirement system but is not vested in such other retirement system, or was not a member of any retirement system, may elect, prior to retirement, to purchase up to four years of creditable prior service for such service [as defined in this section] **in any plan administered by the Missouri state employees' retirement system in which the person is receiving service credit for active employment or is eligible for a deferred annuity**. The purchase shall be effected by the [member] **person** paying to the Missouri state employees' retirement system an amount equal to what would have been contributed by the state in his or her behalf had

the person been a member for the period for which he or she is electing to purchase credit and had the [member's] **person's** compensation during such period been the same as the annual salary rate at which the person was initially employed [as a member of] **in a position covered by a plan administered by** the Missouri state employees' retirement system, with the calculations based on the contribution rate in effect on the date of his or her employment under the provisions of the Missouri state employees' retirement system with simple interest calculated from the date of employment from which the [member] **person** could first receive creditable service from the Missouri state employees' retirement system to the date of election to purchase such service. The payment shall be made over a period of not longer than two years, with simple interest on the unpaid balance. In no event shall any [member] **person** receive credit or benefits under any other retirement plan as defined pursuant to section 105.691, RSMo, for creditable service purchased pursuant to the provisions of this section.

104.345. 1. Any circuit clerk holding office or employment as such on or after August 28, 1989, for service rendered as an employee of any county or other political subdivision for the purposes of performing duties for the judicial system, is entitled to creditable prior services under the provisions of this chapter in the Missouri state employees' retirement system, provided such period of service has not been included for purposes of qualification for any other retirement system.

2. Any member who was a circuit clerk on July 1, 1980, and whose employment as a circuit clerk terminated prior to October 1, 1989, upon application to the board shall be made, constituted, appointed, and employed by the board as a special consultant on the problems of retirement for the remainder of the person's life. Upon request of the board, the consultant shall give opinions or be available to give opinions in writing or orally in response to such requests. As compensation, the consultant shall receive creditable service for service rendered as a circuit clerk, deputy circuit clerk or division clerk, if:

(1) The member does not receive credit for the same period of service under more than one retirement system;

(2) The person made application to the board for such creditable prior service within ninety days of October 1, 1989; and

(3) The person establishes proof of such service to the satisfaction of the board. Such person shall be a member of the Missouri state employees' retirement system and be entitled to a normal annuity or to a deferred normal annuity, based on the person's creditable service and the law in effect at the time service as a circuit clerk was terminated.

3. Notwithstanding any provision of law to the contrary, any person who is an employee on August 28, 1990, who was a circuit clerk, deputy circuit clerk or division clerk on June 30, 1981, employed by a county which participated in the local government employees' retirement system under sections 70.600 to 70.755, RSMo, or which paid to the Missouri state employees' retirement

system to actuarially fund the creditable prior service of such clerk, and such person elected to receive creditable prior service under this system by waiving rights to his accumulated contributions made or accrued while such person was a county employee or who made payment to the county as reimbursement for the costs incurred by the county to actuarially fund the creditable prior service for such person which were received by this system under the provisions of this section in effect when such person became a member, upon written application filed with the board, shall be eligible to receive a refund of such accumulated contributions or payment amount. Members receiving such a refund shall not forfeit any service presently credited the member under this system but in no event shall a member receive credit for the same period of service under more than one retirement system.

4. Any **actively employed** member of the Missouri state employees' retirement system on or after [October 1, 1989, who has or attains one or more years of membership service] **August 28, 2000**, shall be entitled to creditable prior service for service rendered as a circuit clerk, deputy circuit clerk or division clerk, if:

- (1) The service had not become vested in a county or city retirement plan;
- (2) The person made application to the board for such creditable prior service [within ninety days of October 1, 1989, or within ninety days of the completion of one year of membership service, whichever later occurs]; and
- (3) The person establishes proof of such service to the satisfaction of the board.

104.350. 1. Upon withdrawal from service, any member who is not entitled to a normal annuity, deferred normal annuity or disability benefits pursuant to the provisions of this chapter shall forfeit all rights in the fund, including the member's accrued creditable service as of the date of the member's withdrawal.

2. A former employee who is an [employee on October 1, 1984, or who becomes an employee after October 1, 1984] **employed on or after August 28, 2000**, who has forfeited service shall have the forfeited period of service restored [upon completion of one year of continuous service].

104.372. 1. (1) In the event a person who served as a member of the general assembly or in an elective state office on or after September 1, 1976, and who retired after September 1, 1976, dies, a survivor's income in an amount equal to fifty percent of the monthly annuity the retired member was receiving at the time of the member's death shall be paid in monthly installments to such deceased retired member's surviving spouse; provided such surviving spouse [had been] **was** married to the deceased retired member of the general assembly or elected official [continuously for a period of at least two years immediately prior to] **on** the date of the member's death; or if there is no surviving spouse eligible to receive such survivor's income, then such survivor's income shall be payable to any children under the age of twenty-one of the deceased member of the general assembly or elective official in equal shares in a total amount equal to such survivor's

income that would otherwise have been paid to the surviving spouse until the children reach twenty-one years of age. The benefits shall be funded as provided in section 104.436; or

(2) Upon the death of a person who served as a member of the general assembly or in an elective state office on or after September 1, 1976, and who retired pursuant to the provisions of this chapter on or after September 1, 1976, and who terminated employment before August 28, 1988, such deceased retired member's surviving spouse, who [had been] **was** married to the deceased retired member [continuously for a period of at least two years immediately prior to] **on** the date of the member's death, may apply to the board of trustees and shall be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging and other state matters for the remainder of the surviving spouse's life, and upon request of the board shall give opinions, and be available to give opinions in writing, or orally, in response to such requests. As compensation for such services, beginning the first of the month following application, such surviving spouse shall receive monthly an amount equal to fifty percent of the monthly annuity the retired member was receiving at the time of the member's death.

2. If a member of the general assembly who has served in at least three full biennial assemblies dies before retirement, pursuant to the provisions of sections 104.312 to 104.801, a survivor's benefit shall be paid in an amount equal to fifty percent of the member's accrued annuity calculated as if the member were of normal retirement age as of the member's death. The survivor's benefit shall be paid in monthly installments to such deceased member's surviving spouse; provided such surviving spouse [had been] **was** married to the deceased member of the general assembly [continuously for a period of at least two years immediately prior to] **on** the date of the member's death; or if there is no surviving spouse eligible to receive such survivor's benefit, such survivor's benefit shall be payable to any children under the age of twenty-one of the deceased member of the general assembly in equal shares in a total amount equal to such survivor's benefit that would otherwise have been paid to the surviving spouse until the children reach twenty-one years of age.

3. In the event a person who has held one or more statewide state elective offices for a total of at least twelve years, and whose retirement benefits have been calculated and are being paid pursuant to the provisions of section 104.371, dies, a survivor's benefit in an amount equal to fifty percent of the benefits being paid the member pursuant to section 104.371 shall be paid to the member's surviving spouse. The survivor's benefits shall be paid in the manner provided in section 104.371.

4. Every member of the state employees' retirement system who had previous state employment by a state agency by virtue of which the person was a member of the public school retirement system of Missouri and has previously withdrawn the person's employee contribution to the public school retirement system shall upon request if qualified pursuant to the provisions of this subsection receive creditable prior service in the state employees' retirement system for

such service notwithstanding any other provisions of law. The public school retirement system shall pay to the state employees' retirement system an amount equal to the contribution paid to the public school retirement system on behalf of the employee by the employee's employer, and the commissioner of administration shall pay an equal amount to the state employees' retirement system from funds appropriated from the general revenue fund for such purpose. In no event shall any person receive credit for the same period of service under more than one retirement system.

5. Upon the death of a person who served as a member of the general assembly or in an elective state office [and who retired pursuant to the provisions of this chapter on or] before September 1, 1976, **and who retired and chose a normal annuity pursuant to the provisions of this chapter**, such deceased retired member's surviving spouse[,] who [had been] **was** married to the deceased retired member [continuously for a period of at least two years immediately prior to] **on** the date of the member's death, may apply to the board of trustees and shall be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging, and other state matters for the remainder of the surviving spouse's life, and upon request of the board shall give opinions, and be available to give opinions in writing, or orally, in response to such requests. As compensation for such services, beginning the first of the month following application, such surviving spouse shall receive monthly an amount equal to fifty percent of the monthly annuity the retired member was receiving at the time of the member's death.

104.380. If a retired member is elected to any state office or is appointed to any state office or is employed by a department in a position normally requiring the performance by the person of duties during not less than one thousand hours per year, the member shall not receive an annuity for any month or part of a month for which the member serves as an officer or employee, but the member shall be considered to be a new employee with no previous creditable service and must accrue creditable service [of one or more years after such employment] in order to receive any additional annuity. Any [employed] retired member who [has one or more years of] **again becomes an employee and who accrues additional** creditable service [after such employment] and later retires shall receive an additional amount of monthly annuity calculated to include only the creditable service and the average compensation earned by the member since such employment[,] **or creditable service earned as a member of the general assembly. Years of membership service and twelfths of a year are to be used in calculating any additional annuity except for creditable service earned as a member of the general assembly, and such additional annuity shall be based on the type of service accrued.** In either event, the original annuity and the additional annuity, if any, shall be paid commencing with the end of the first month after the month during which the member's term of office has been completed, or the member's employment terminated. If a retired member is employed by a department in a position that does not normally require the person to perform

duties during at least one thousand hours per year, the member shall not be considered an employee as defined pursuant to section 104.010.

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

Option 1. An actuarial reduction approved by the board of the member's annuity in reduced monthly payments for life during retirement with the provision that upon the member's death the reduced annuity at the date of the member's death shall be continued throughout the life of, and be paid to, the member's spouse to whom the member was married at the date of retirement and who was nominated by the member to receive such payments in the member's application for retirement **or as otherwise provided pursuant to subsection 5 of this section**. Such annuity shall be reduced in the same manner as an annuity under option 2 as in effect immediately prior to August 28, 1997. The surviving spouse shall designate a beneficiary to receive any final monthly payment due after the death of the surviving spouse; or

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

Option 3. An actuarial reduction approved by the board of the member's normal annuity in reduced monthly payments for the member's life with the provision that if the member dies prior to the member having received one hundred twenty monthly payments of the member's reduced annuity, the member's reduced annuity to which the member would have been entitled had the member lived shall be paid for the remainder of the one hundred twenty months' period to such person as the member shall have nominated by written designation duly executed and filed with the board. If there is no such beneficiary surviving the retirant, the reserve for such annuity for the remainder of such one hundred twenty months' period shall be paid to the retirant's estate. If such beneficiary dies after the member's date of death but before having received the

remainder of the one hundred twenty monthly payments of the retiree's reduced annuity, the reserve for such annuity for the remainder of such one hundred twenty month period shall be paid to the beneficiary's estate; or

Option 4. An actuarial reduction approved by the board of the member's normal annuity in reduced monthly payments for the member's life with the provision that if the member dies prior to the member having received sixty monthly payments of the member's reduced annuity, the member's reduced annuity to which the member would have been entitled had the member lived shall be paid for the remainder of the sixty months' period to such person as the member shall have nominated by written designation duly executed and filed with the board. If there be no such beneficiary surviving the retirant, the reserve for such annuity for the remainder of such sixty months' period shall be paid to the retirant's estate. If such beneficiary dies after the member's date of death but before having received the remainder of the sixty monthly payments of the retiree's reduced annuity, the reserve for such annuity for the remainder of the sixty month period shall be paid to the beneficiary's estate.

2. Effective July 1, 2000, if a member is married as of the annuity starting date to a person who has been the member's spouse for at least one year immediately preceding such annuity starting date, the member's annuity shall be paid pursuant to the provisions of either option 1 or option 2 as set forth in subsection 1 of this section, at the member's choice, with the spouse as the member's designated beneficiary unless the spouse consents in writing to the member electing another available form of payment. [If a member has been married less than one year at the annuity starting date and does not elect an option, the annuity shall be paid as a normal annuity.]

3. For members who retire on or after August 28, 1995, in the event such member elected a joint and survivor option under the provisions of this section and the member's eligible spouse or eligible former spouse precedes the member in death, the member's annuity shall revert effective the first of the month following the death of the spouse or eligible former spouse regardless of when the board receives the member's written application for the benefit provided in this subsection, to an amount equal to the member's normal annuity, as adjusted for early retirement if applicable; such benefit shall include any increases the member would have received since the date of retirement had the member elected a normal annuity.

4. Effective on or after August 28, 1995, any retired member who had elected a joint and survivor option and whose spouse or eligible former spouse precedes or preceded the member in death, shall upon application to the board be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging, and other state matters. As a special consultant pursuant to the provisions of this section, the member's reduced annuity shall revert to a normal annuity as adjusted for early retirement, if applicable, effective the first of the month following the death of the spouse or eligible former spouse or August 28, 1995, whichever is later, regardless of when the board receives the member's written application; such annuity

shall include any increases the retired member would have received since the date of retirement had the member elected a normal annuity.

5. Effective July 1, 2000, a member may make an election under option 1 or 2 after the date retirement benefits are initiated if the member [has been married for at least one year prior to such election and] makes such election within [six months of becoming eligible to make such election] **one year from the date of marriage** under any of the following circumstances:

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

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

104.420. 1. Unless otherwise provided by law, if a member or disabled member has five or more years of vesting service and dies prior to retirement, regardless of the age of the member at the time of death, the member's or disabled member's surviving spouse, to whom the member or disabled member was married [for at least the two consecutive years immediately prior to] **on** the date of the member's death, if any, shall receive the reduced survivorship benefits provided in option 1 of section 104.395 calculated as if the member were of normal retirement age and had retired as of the date of the member's death and had elected option 1.

2. If there is no eligible surviving spouse, the member's or disabled member's eligible surviving children under twenty-one years of age shall receive monthly, in equal shares, an amount equal to one-half of the member's or disabled member's accrued annuity calculated as if the member or disabled member were of a normal retirement age and retired as of the date of death. Benefits otherwise payable to a child under eighteen years of age shall be payable to the surviving parent as natural guardian of such child if such parent has custody or assumes custody of such minor child, or to the legal guardian of such child, until such child attains age eighteen; thereafter, the benefit may be paid to the child until age twenty-one.

3. No benefit is payable pursuant to this section if no eligible surviving spouse or children under twenty-one years of age survives the member or disabled member. Benefits cease pursuant to this section when there is no eligible surviving beneficiary through either death of the eligible surviving spouse or through either death or the attainment of twenty-one years of age by the eligible surviving children. If the member's or disabled member's surviving children are receiving equal shares of the benefit described in subsection 2 of this section, and one or more of such children become ineligible by reason of death or the attainment of twenty-one years of age, the benefit shall be reallocated so that the remaining eligible children receive equal shares of the total benefit as described in subsection 2 of this section.

4. For the purpose of computing the amount of an annuity payable pursuant to this section, if the board finds that the death was the natural and proximate result of a personal injury or disease arising out of and in the course of the member's actual performance of duty as an

employee, then the minimum annuity to such member's surviving spouse or, if no surviving spouse benefits are payable, the minimum annuity that shall be divided among and paid to such member's surviving children shall be fifty percent of the member's final average compensation. The vesting service requirement of subsection 1 of this section shall not apply to any annuity payable pursuant to this subsection.

104.517. 1. [The board shall provide or contract, or both, for life insurance benefits for employees pursuant to sections 104.320 to 104.540, persons covered by sections 287.812 to 287.855, RSMo, and for employees who are members of the judicial retirement system as provided in section 476.590, RSMo, and at the election of the state highways and transportation commission shall include employees who are members of the state transportation department employees' and highway patrol retirement system as follows:

(1) Employees are entitled to fifteen thousand dollars of life insurance.] **Effective January 1, 2001, the system shall provide or contract or both for basic life insurance for employees covered under any retirement plan administered by the system pursuant to this chapter, persons covered by sections 287.812 to 287.855, RSMo, for employees who are members of the judicial retirement system as provided in section 476.590, RSMo, and at the election of the state highways and transportation commission, employees who are members of the highways and transportation employees' and highway patrol retirement system, in the amount of one times annual pay subject to a minimum amount of fifteen thousand dollars. The board shall establish by rule or contract the method for determining the annual rate of pay and any other terms of such insurance as it deems necessary to implement the requirements pursuant to this section. Annual rate of pay shall not include overtime or any other irregular payments as determined by the board.** Such life insurance shall provide for triple indemnity in the event the cause of death is a proximate result of a personal injury or disease arising out of and in the course of actual performance of duty as an employee. [Coverage shall be effective on the first day of the month coinciding with or next following the employee's date of membership;

(2) Life insurance benefits shall cease on the date of termination of employment and] **2.** A conversion of such life insurance benefits shall be available. However, a member eligible to receive a lump sum death benefit as provided in subsection 4 of section 104.515 shall be entitled to convert any amount of terminated life insurance benefit in excess of the benefit provided in said section.

[2.] 3. (1) In addition to the life insurance authorized by the provisions of subsection 1 of this section, any person for whom life insurance is provided or contracted for pursuant to such subsection may purchase, at the person's own expense and only if monthly voluntary payroll deductions are authorized, additional life insurance at a cost to be stipulated in a contract with a private insurance company or as may be required by the system if the board of trustees determines that the system should provide such insurance itself. The maximum amount of

additional life insurance which may be so purchased on or after January 1, 1998, is that amount which equals six times the amount of the person's annual [compensation] **rate of pay**, except that if such maximum amount is not evenly divisible by one thousand dollars, then the maximum amount of additional insurance which may be purchased is the next higher amount evenly divisible by one thousand dollars. The selection of a private insurance company to provide this life insurance shall be on the basis of competitive bidding.

(2) Any person defined in subdivision (1) of this subsection retiring on or after September 1, 1988, may retain an amount not to exceed ten thousand dollars of life insurance following the date of his or her retirement if such person makes written application for such life insurance at the same time such person's application is made to the board for retirement benefits. Any person, defined in subdivision (1) of this subsection, retiring on or after May 1, 1996, may retain an amount not to exceed sixty thousand dollars of life insurance following the date of the person's retirement if such person makes written application for such life insurance at the same time such person applies to the board for retirement benefits. Such life insurance shall only be provided if such person pays the entire cost of the insurance, as determined by the board, by allowing voluntary deductions from the member's monthly retirement benefits.

(3) Effective January 1, 1998, in addition to the life insurance authorized in subsection 1 of this section, any person for whom life insurance is provided or contracted for pursuant to such subsection may purchase, at the person's own expense and only if monthly voluntary payroll deductions are authorized, life insurance covering the person's children or the person's spouse or both the person's children and the person's spouse at coverage amounts to be determined by the board at a cost to be stipulated in a contract with a private insurance company or as may be required by the system if the board of trustees determines that the system should provide such insurance itself.

4. The highways and transportation employees' and highway patrol retirement system shall provide or contract or both for the death benefit for special consultants in subsection 4 of section 104.515. The highways and transportation employees' and highway patrol retirement system may request the state highways and transportation commission to administer the death benefit. If the state highways and transportation commission accepts the obligation to administer the death benefit, the highways and transportation employees' and highway patrol retirement system shall reimburse the state highways and transportation commission for any costs or expenses of administering the death benefit.

104.610. 1. Any person, who is receiving or hereafter may receive state retirement benefits from the Missouri state employees' retirement system other than a person with twelve or more years of service in statewide state elective office receiving benefits pursuant to the provisions of section 104.371, a legislators' retirement system, or the **highways and**

transportation [department] employees' and highway patrol retirement system, upon application to the board of trustees of the system from which he or she is receiving retirement benefits, shall be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging, and other state matters, for the remainder of the person's life, and upon request of the board, or other state agencies where such person was employed prior to retirement, give opinions, and be available to give opinions in writing, or orally, in response to such requests, as may be required, and for such services shall be compensated monthly, in an amount, which, when added to any monthly state retirement benefits received on his or her retirement, shall be equal to the state retirement benefits the person would be receiving currently if the person had benefited from changes in the law effecting increases in the rate in the formula for calculating benefits in his or her respective retirement system, for his or her type of employment or for those persons having accrued thirty-five or more years of creditable service, changes in the law pertaining to the age and service requirements for a normal annuity in his or her respective retirement system, made subsequent to the date of his or her retirement; except that in calculating such benefits the meaning of "average compensation" shall be that ascribed to it by the law in effect on the date on which the benefits pursuant to this section are calculated.

2. In lieu of any other benefits pursuant to the provisions of this section, any member of the Missouri state employees' retirement system who has or may hereafter retire pursuant to the provisions of section 104.371, pertaining to those members who have held statewide state elective office for at least twelve years, may apply pursuant to this section to be employed as a special consultant and for such services shall be compensated monthly, in an amount, which, when added to any monthly state retirement benefits received initially on his or her retirement, shall be equal to the state retirement benefits the person would be receiving if the person had benefited from changes in the law affecting increases in compensation for statewide state elective offices, pursuant to house substitute for senate bill no. 528, second regular session of the eighty-second general assembly, any other provisions of the law to the contrary notwithstanding.

3. This compensation shall be consolidated with any other retirement benefits payable to the person, and shall be funded as provided in section 104.436.

4. This compensation shall be treated as any other state retirement benefits payable by the Missouri state employees' retirement system or the **highways and** transportation [department] employees' and highway patrol retirement system are treated and shall not be subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim whatsoever, and shall be unassignable, anything to the contrary notwithstanding.

5. The employment provided for by this section shall in no way affect any person's eligibility for retirement benefits pursuant to this chapter, or in any way have the effect of reducing retirement benefits, anything to the contrary notwithstanding.

6. In order to determine the total monthly state retirement compensation due each retiree

who is eligible for the additional amount provided for in subsection 1 of this section, the following formula shall be used:

(1) The retiree's base monthly retirement compensation shall be determined by dividing the sum of the retiree's annual normal annuity as of the effective date of any increase in the rate in the formula for calculating benefits in his or her respective retirement system plus any annual increases granted such retiree as a result of his or her being a consultant, by twelve;

(2) The amount determined pursuant to subdivision (1) of this subsection shall be increased by an amount equal to the base monthly retirement compensation calculated pursuant to subdivision (1) of this subsection multiplied by the percentage increase in the rate in the formula;

(3) The sum obtained from completing the calculations contained in subdivisions (1) and (2) of this subsection shall be the retiree's new total monthly state retirement compensation. Any retiree who is eligible for the benefit provided in subsection 1 of this section whose benefit pursuant to subsection 1 of this section was not calculated in accordance with the procedure provided in this subsection shall have his or her total monthly retirement compensation for all months beginning on or after September 28, 1985, recalculated in accordance with this subsection.

7. The provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or otherwise invalid, the remaining provisions of this section are valid unless the court finds that such valid provisions, standing alone, are incomplete and incapable of being executed in accordance with the legislative intent.

8. Any person who terminates employment or retires prior to July 1, 2000, shall be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging, and other state matters, for the remainder of the person's life, and upon request of the board, or other state agencies where such person was employed prior to retirement, give opinions, and be available to give opinions in writing, or orally, in response to such requests, as may be required, and for such services shall be eligible to elect to receive a retirement annuity pursuant to the year 2000 plan as provided in this chapter.

9. Effective August 28, 2000, any person otherwise eligible for survivor benefits due to the death of a member prior to retirement, who was married less than two years to the member at the time of the member's death shall, upon application to the board, be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging and other state matters. As a special consultant pursuant to the provisions of this subsection, the person shall begin to receive a survivor benefit in a monthly amount equal to what the system would have paid the person had the person been eligible for such survivor benefit upon the death of the member. Such benefit shall commence the first of the month following receipt by the system of an application from such person, but not earlier than September 1, 2000. In

no event shall any retroactive benefits be paid.

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

2. Each retiree of the closed plan on July 1, 2000, shall be furnished by the appropriate system a written comparison of the retiree's closed plan coverage and the retiree's potential year 2000 plan coverage. A retiree shall elect whether or not to change to year 2000 plan coverage by making a written election, on a form furnished by the appropriate board, and providing that form to the system by no later than twelve months after July 1, 2000, and any retiree who fails to make such election within such time period shall be deemed to have elected to remain covered under the closed plan; provided the election must be after the retiree has received from the appropriate system such written comparison. The retirement option elected under the year 2000 plan shall be the same as the retirement option elected under the closed plan [unless such retirement option is not available under the year 2000 plan.] **except any retiree who had elected one of the options providing for a continuing lifetime annuity to a surviving spouse or a normal annuity under the closed plan, may elect to receive an annuity under option 1 or 2 of section 104.1027, or a life annuity pursuant to subsection 2 of section 104.1024, provided the member's spouse, if any, consents in writing to any such election.** The effective date of payment of an annuity under the year 2000 plan as provided in this subsection shall begin on July 1, 2000. No adjustment shall be made to retirement benefits paid to the retiree prior to July 1, 2000. In order to calculate a new monthly annuity for retirees electing coverage under the year 2000 plan pursuant to this subsection, the following calculations shall be made:

(1) Except as **otherwise** provided in [subdivision (5) of] this subsection, the retiree's gross monthly retirement annuity in effect immediately prior to July 1, 2000, shall be multiplied by the percentage increase in the life annuity formula between the closed plan and the year 2000 plan. This amount shall be added to the retiree's gross monthly retirement annuity in effect immediately prior to July 1, 2000, to arrive at the retiree's new monthly retirement annuity in the year 2000 plan on July 1, 2000. The age of eligibility and reduction factors applicable to the retiree's original annuity under the closed plan shall remain the same in the annuity payable under the year 2000 plan, except as provided in subdivision (2) of this subsection.

(2) If [an optional form of payment was] **option 1 or 2 of section 104.1027 is** chosen by the retiree [and is available] under the year 2000 plan, the new monthly retirement annuity

calculated pursuant to subdivision (1) of this subsection shall be recalculated using the reduction factors **for the option chosen** pursuant to section 104.1027. [If the optional form of payment was chosen by the retiree and is not available under the year 2000 plan, the retiree's annuity shall be recalculated pursuant to subdivision (1) of this subsection, provided that, if the retiree has chosen or is receiving an unreduced annuity prior to July 1, 2000, with a provision that upon the member's death a survivor's benefit equal to one-half the member's annuity at the date of the member's death shall be paid to the member's spouse to whom the member was married at the date of retirement, then such retiree's annuity shall be recalculated using the reduction factors pursuant to option 1 in subsection 1 of section 104.1027.]

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

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

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

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

4. Each person who is not an employee and not a retiree and is eligible for a deferred annuity from the closed plan on July 1, 2000, shall elect whether or not to change to the year 2000 plan coverage prior to the last business day of the month before the person's annuity starting date, and if such election has not been made within such time, annuity payments due beginning on and after the month of the annuity starting date shall be made the month following the receipt by the appropriate system of such election and any other information required by the year 2000 plan

created by sections 104.1003 to 104.1093; provided, the election must be after the person has received from the year 2000 plan a written comparison of the person's closed plan coverage and the person's potential year 2000 plan coverage and the election must be made in writing on a form furnished by the appropriate board. If such person dies after the annuity starting date but before making such election and providing such other information, no benefits shall be paid except as required pursuant to section 104.420.

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

6. Each person who is not an employee and not a retiree and not eligible for a deferred annuity from the closed plan but has forfeited creditable service with the closed plan and becomes an employee after July 1, 2000, shall be changed to year 2000 plan coverage upon such return and receive credited service for all such forfeited creditable service under the closed plan.

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

104.1024. 1. Any member who terminates employment may retire on or after attaining normal retirement eligibility by making application in written form and manner approved by the appropriate board. The written application shall set forth the annuity starting date which shall be not less than thirty days nor more than ninety days subsequent to the execution and filing of the member's application for retirement.

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

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

4. If as of the annuity starting date of a member who has attained normal retirement eligibility the sum of the member's years of age and years of credited service equals eighty or more

years and if the member's age is at least fifty years but less than sixty-two years **or, in the case of a member of the highway patrol who shall be subject to the mandatory retirement provision in section 104.080, the mandatory retirement age and completion of five years of credited service**, then in addition to the life annuity described in subsection 2 of this section, the member shall receive a temporary annuity equal to eight-tenths of one percent of the member's final average pay multiplied by the member's years of credited service. The temporary annuity and any cost-of-living adjustments attributable to the temporary annuity pursuant to section 104.1045 shall terminate at the end of the calendar month in which the earlier of the following events occurs: the member's death or the member's attainment of the earliest age of eligibility for reduced Social Security retirement benefits.

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

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

OPTION 1. A retiree's life annuity shall be reduced to a certain percent of the annuity otherwise payable. Such percent shall be ninety percent adjusted as follows: if the retiree's age on the annuity starting date is younger than sixty-two years, an increase of three-tenths of one percent for each year the retiree's age is younger than age sixty-two years, to a maximum increase of three and six-tenths percent; and if the beneficiary's age is younger than the retiree's age on the annuity starting date, a decrease of three-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 three-tenths of one percent for each year of age difference; provided, after all adjustments the option 1 percent cannot exceed ninety-five percent. Upon the retiree's death, fifty percent of the retiree's reduced annuity shall be paid to such beneficiary who was the retiree's

spouse on the annuity starting date [provided the retiree was married to said spouse for at least one year immediately preceding the annuity starting date] **or as otherwise provided in 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-three percent adjusted as follows: if the retiree's age on the annuity starting date is younger than sixty-two years, an increase of four-tenths of one percent for each year the retiree's age is younger than sixty-two years, to a maximum increase of four and eight-tenths percent; 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 ninety 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 [provided the retiree was married to said spouse for at least one year immediately preceding the annuity starting date] **or as otherwise provided in subsection 5 of this section.**

OPTION 3. A retiree's life annuity shall be reduced to ninety-five 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 to the retiree's estate. 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 to the beneficiary's estate.

OPTION 4. A retiree's life annuity shall be reduced to ninety 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 to the retiree's estate. 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 to the beneficiary's estate.

2. If a member is married as of the annuity starting date [to a person who has been the member's spouse for at least one year immediately preceding said annuity starting date], the member's annuity shall be paid under the provisions of either option 1 or option 2 as set forth in subsection 1 of this section, at the member's choice, with the spouse as the member's designated beneficiary unless the spouse consents in writing to the member electing another available form

of payment. [If a member has been married less than one year at the annuity starting date and does not elect an option, the annuity shall be paid as a life annuity.]

3. If a member has elected at the annuity starting date option 1 or 2 pursuant to this section and if the member's spouse or eligible former spouse dies after the annuity starting date but before the member dies, then the member may cancel the member's election and return to the life annuity form of payment and annuity amount, effective the first of the month following the date of such spouse's or eligible former spouse's death.

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

5. A member may make an election under option 1 or 2 after the annuity starting date as described in this section if the member [has been married for at least one year prior to such election and] makes such election within [six months of becoming eligible to make such election] **one year from the date of marriage** pursuant to any of the following circumstances:

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

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

104.1042. 1. Any member who is in the Missouri state employees' retirement system pursuant to the year 2000 plan created by sections 104.1003 to 104.1093 and who becomes disabled and qualifies for long-term disability benefits and retires after August 28, 1999, or who becomes disabled and qualifies for long-term disability benefits under a program provided by the member's employing department and retires after August 28, 1999, shall continue to accrue credited service and such member's rate of pay for purposes of calculating an annuity pursuant to the year 2000 plan created by sections 104.1003 to 104.1093 shall be the member's regular monthly pay received at the time of disablement, increased thereafter for any increases in the consumer price index. Such increases in the member's monthly pay shall be made annually beginning twelve months after disablement and shall be equal to eighty percent of the increase in the consumer price index during the calendar year prior to the adjustment, but not more than five percent of the member's monthly pay immediately before the increase. Such accruals shall continue until the earliest of receipt of an early retirement annuity, attainment of normal retirement eligibility, or termination of disability benefits.

2. A member described in subsection 1 of this section who continues to be disabled until normal retirement eligibility may elect an annuity starting date upon termination of disability payments and shall receive a normal retirement annuity provided for in section 104.1024[; provided, if federal Social Security disability benefits were paid during the disability period, then

no temporary annuity otherwise payable shall be paid].

3. If the member's disability terminates, disability accruals described in subsection 1 of this section shall terminate.

4. Upon termination of disability payments and not returning to a position in which the member is an employee, the member's rights to plan benefits shall be determined as if the member had terminated employment at time of termination of disability payments.

5. Any member who was disabled under the closed plan prior to July 1, 2000, and who returns to a position in which the member is an employee after July 1, 2000, shall be covered under the closed plan and shall be eligible to elect coverage under the new plan as provided by subsection 5 of section 104.1015.

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

(1) [Employees shall be provided fifteen thousand dollars of life insurance.] **Effective January 1, 2001, the system shall provide or contract or both for basic life insurance for employees covered under any retirement plan administered by the system pursuant to this chapter, persons covered by sections 287.812 to 287.855, RSMo, for employees who are members of the judicial retirement system as provided in section 276.590, RSMo, and at the election of the state highways and transportation commission, employees who are members of the highways and transportation employees' and highway patrol retirement system, in the amount of one times annual pay subject to a minimum amount of fifteen thousand dollars. The board shall establish by rule or contract the method for determining the annual rate of pay and any other terms of such insurance as it deems necessary to implement the requirements pursuant to this section. Annual rate of pay shall not include overtime or any other irregular payments as determined by the board.** Such life insurance shall provide for triple indemnity in the event the cause of death is a proximate result of a personal injury or disease arising out of and in the course of actual performance of duty as an employee[. Coverage shall be effective on the first day of the calendar month coinciding with or next following the employee's date of membership];

(2) Upon a member terminating employment and becoming a retiree the month following termination of employment, five thousand dollars of life insurance shall be provided.

2. (1) In addition to the life insurance authorized by the provisions of subsection 1 of this section, any person for whom life insurance is provided or contracted for pursuant to such subsection may purchase, at the person's own expense and only if monthly voluntary payroll deductions are authorized, additional life insurance at a cost to be stipulated in a contract with a private insurance company or as may be required by a system if the board of trustees determines that the system should provide such insurance itself. The maximum amount of additional life insurance which may be so purchased is that amount which equals six times the amount of the

person's annual rate of pay, subject to any maximum established by a board, except that if such maximum amount is not evenly divisible by one thousand dollars, then the maximum amount of additional insurance which may be purchased is the next higher amount evenly divisible by one thousand dollars.

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

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

(4) Effective July 1, 2000, any member who applies and is eligible to receive a temporary annuity pursuant to subsection 4 of section 104.1024 shall be eligible to retain any optional life insurance described in subdivision (1) of this subsection. The amount of such retained insurance shall not be greater than the amount in effect during the month prior to termination of employment. Such insurance may be retained until the temporary annuity terminates, at which time the amount of such insurance that may be retained shall be that amount permitted pursuant to subdivision (2) of this subsection.

3. The state highways and transportation commission may provide for insurance benefits to cover medical expenses for members of the **highways and transportation [department] employees'** and highway patrol retirement system. The state highways and transportation commission may provide medical benefits for dependents of members and for retired members. Contributions by the state highways and transportation commission to provide the insurance benefits shall be on the same basis as provided for other state employees pursuant to the provisions of section 104.515. Except as otherwise provided by law, the cost of benefits for dependents of members and for retired members and their dependents shall be paid by the members. The state highways and transportation commission may contract for all, or any part of, the insurance benefits provided for in this section. If the state highways and transportation commission contracts for insurance benefits, or for administration of the insurance plan, such contracts shall be entered into on the basis of competitive bids.

4. The highways and transportation employees' and highway patrol retirement system may request the state highways and transportation commission to provide life insurance benefits in subsections 1 and 2 of this section. If the state highways and transportation commission agrees to the request, the highways and transportation employees' and highway patrol retirement system shall reimburse the state highways and transportation commission for any and all costs for life insurance provided pursuant to subdivision (1) of subsection 1 of this section. The person who is covered pursuant to subsection 2 of this section shall be solely responsible for the costs of any additional life insurance.

104.1090. Any member who **is actively employed and** has been employed in a position covered by the system for at least ten or more years and has received credited service for such employment in the year 2000 plan shall receive additional credited service for previous public employment within the state covered by another retirement plan as defined in section 105.691, RSMo, if all of the following conditions are met:

(1) Such member has a vested right to receive a retirement benefit from the other retirement plan at the time of application pursuant to this section **and is not a retiree under the other retirement plan;**

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

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

(4) The member applies for the additional credited service in manner and form established by the appropriate board. Such additional credited service shall be added to the credited service in the first position of employment held as a member of the system.

Section B. Because immediate action is necessary to provide equitable treatment and timely application of pension laws, this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and this act shall be in full force and effect on July 1, 2000.