

SECOND REGULAR SESSION

SENATE BILL NO. 1133

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR GROSS.

Read 1st time February 11, 2002, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4443S.011

AN ACT

To repeal sections 104.050, 104.095, 104.110, 104.140, 104.250, 104.270, 104.335, 104.344, 104.350, 104.374, 104.380, 104.400, 104.436, 104.438, 104.515, 104.540, 104.601, 104.620, 104.1018, 104.1021, 104.1039, 104.1054, 104.1072, 104.1075, 104.1200, 104.1210 and 476.517, RSMo, and to enact in lieu thereof twenty-eight new sections relating to public retirement systems.

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

Section A. Sections 104.050, 104.095, 104.110, 104.140, 104.250, 104.270, 104.335, 104.344, 104.350, 104.374, 104.380, 104.400, 104.436, 104.438, 104.515, 104.540, 104.601, 104.620, 104.1018, 104.1021, 104.1039, 104.1054, 104.1072, 104.1075, 104.1200, 104.1210 and 476.517, RSMo, are repealed and twenty-eight new sections enacted in lieu thereof, to be known as sections 104.050, 104.110, 104.140, 104.250, 104.270, 104.335, 104.344, 104.350, 104.374, 104.380, 104.400, 104.436, 104.438, 104.515, 104.540, 104.601, 104.605, 104.620, 104.1018, 104.1021, 104.1039, 104.1054, 104.1055, 104.1072, 104.1075, 104.1200, 104.1210 and 476.517, to read as follows:

104.050. 1. Years of service and twelfths of a year are to be used in calculating any annuity. Absences **taken by an employee without compensation** for sickness or injury of **the employee of** less than twelve months **or for leave taken by an employee without compensation pursuant to the provisions of the Family and Medical Leave Act of 1993** may be counted as continuous service. Absences for more than twelve months' continuous duration cancel all prior service credits unless the board of trustees grants special leave to the employee affected prior to the termination of a twelve-month absence. This subsection shall not

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

apply to injury sustained while in the line of duty.

2. Any member who withdraws from service before he is entitled to deferred benefits under section 104.035 forfeits, waives, and relinquishes all accrued rights in the fund, including all accrued creditable service.

3. If a former employee has forfeited creditable service for any period he shall have the period of creditable service restored only upon the completion of one continuous year of service after he again becomes an employee.

104.110. 1. Any employee, regardless of the length of time of creditable service, who is affirmatively found by the board to be wholly incapable of performing the duties of the employee's or any other position in the employee's department for which the employee is suited, shall be entitled to receive disability benefits. The disability benefit provided by this subsection shall equal one and six-tenths percent of the employee's average compensation multiplied by the number of years of creditable service of the member.

2. Any uniformed member of the highway patrol, highway patrol employee or department of transportation employee, regardless of the length of time of creditable service, who is found by the board to be disabled as a result of injuries incurred in the performance of the employee's duties, shall be entitled to receive an initial disability benefit in an amount equal to seventy percent of the compensation that the employee was receiving on the date preceding the date of disability; provided, however, that the amount of the disability benefit, plus any primary Social Security disability benefits received by such member shall not exceed ninety percent of the monthly compensation such member was receiving on the date preceding the date of disability.

3. Any disability benefits payable pursuant to this section shall be decreased by any amount paid to such member for periodic disability benefits by reason of the workers' compensation laws of this state. After termination of payment under workers' compensation, however, disability benefits shall be paid in the amount required by subsections 1, 2, 8 and 10 of this section.

4. The board of trustees may require a medical examination of a disabled member at any time by a designated physician, and benefits shall be discontinued if the board finds that such member is able to perform the duties of the member's former position or if such member refuses to submit to a medical examination. Any employee who applies for disability benefits provided pursuant to this section shall provide medical certification acceptable to the board which shall include the date the disability commenced and the expected duration of the disability.

5. Any employee who applies for disability benefits pursuant to subsections 2 and 8 of this section shall provide proof of application for Social Security disability benefits. If Social Security disability benefits are denied, the employee shall also provide proof that the employee has requested reconsideration, and upon denial of the reconsideration, that an appeal process is prosecuted.

6. The disability benefits provided in this section shall not be paid to any member who retains or regains earning capacity as determined by the board. If a member who has been receiving disability benefits again becomes an employee, the member's disability benefits shall be discontinued.

7. Upon the completion of six months continuous service after reemployment, the member shall have the member's prior period of creditable service restored. Any subsequent determination of benefits due the member or the member's survivors shall be based on the sum of the member's creditable service accrued to the date the member's disability benefits commenced and the period of creditable service after the member's return to employment. Should the member again become disabled, retire, or terminate employment within the six-month period after the member's return to work, any benefits to which the member becomes entitled shall be based on the member's service and compensation to the date disability benefits originally began. There shall be no death benefits payable pursuant to section 104.090 or pursuant to **subsection 2 of section 104.140** if the employee dies within six months after the member's return to employment from disability. The provision of this subsection shall not apply to a person receiving disability benefits pursuant to subsection 2 of this section.

8. The board shall also provide or contract for long-term disability benefits for those members whose disability exists or is diagnosed as being of such nature as to exist for more than one year. The benefits provided or contracted for pursuant to this subsection shall be in lieu of any other benefit provided in this section. The eligibility requirements, benefit period and amount of the disability benefits provided pursuant to this subsection shall be established by the board.

9. Definitions of disability and other rules and procedures necessary for administration of the disability benefits provided pursuant to this section shall be established by the board.

10. Any member receiving disability benefits pursuant to subsections 1 and 2 of this section shall receive the same cost-of-living increases as granted to retired members pursuant to section 104.130.

11. The state highways and transportation commission shall contribute the same amount as provided for all state employees for any person receiving disability benefits pursuant to subsection 2 of this section for medical insurance provided pursuant to section 104.270.

12. Any member who qualified for disability benefits pursuant to subsection 2 or subsection 8 of this section shall continue to accrue normal annuity benefits based on the member's rate of pay immediately prior to the date the member became disabled in accordance with sections 104.090 and 104.615 as in effect on the earlier of the date the member reaches normal retirement age or the date normal annuity payments commence.

13. A member who continues to be disabled as provided in subsection 2 or subsection 8 of this section shall continue to accrue creditable service until the member reaches normal

retirement age. The maximum benefits period for benefits pursuant to subsections 2 and 8 of this section shall be established by the board. A member who is eligible to retire and does retire while receiving disability benefits pursuant to subsections 2 and 8 of this section shall receive the greater of the normal annuity or the minimum annuity determined pursuant to sections 104.090 and 104.615, as if the member had continued in the active employ of the employer until the member's normal retirement age and the member's compensation for such period had been the member's rate of pay immediately preceding the date the member became disabled.

14. Any member who was receiving disability benefits from the board prior to August 28, 1997, or any member who has submitted an application for disability benefits before August 28, 1997, and would have been eligible to receive benefits pursuant to the eligibility requirements which were applicable at the time of application shall be eligible to receive or shall continue to receive benefits in accordance with such prior eligibility requirements until the member again becomes an employee.

15. Any member receiving disability benefits pursuant to **subsection 1**, subsection 2 or subsection 8 of this section shall be eligible to receive death benefits pursuant to the provisions of [section 104.095 or] subsection [2] **1** of section 104.140. The death benefits provided pursuant to this subsection shall be in lieu of the death benefits available to the member pursuant to subsection [1] **2** of section 104.140.

16. The board is authorized to contract for the benefits provided pursuant to subsections 1 and 2 of this section.

104.140. 1. **(1)** If a member who has five or more years of creditable service dies before retirement, [his] **the member's** surviving spouse, [if named as his beneficiary and married to the deceased member 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] **to whom the member was married on the date of the member's death, if any, shall receive the reduced survivorship benefits provided in option 1 of subsection 3 of section 104.090 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 no eligible surviving spouse exists, or when a spouse's annuity has ceased to be payable, the member's eligible surviving children under twenty-one years of age shall receive monthly, in equal shares, an amount equal to eighty percent of the member's accrued annuity calculated as if the member were of 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, and thereafter, the benefit shall be paid to the child until age twenty-one; provided, the twenty-one year maximum shall be extended for any child who has been found totally incapacitated prior to reaching the age of twenty-one by a court of competent jurisdiction;

(3) No benefit is payable pursuant to this section if no eligible surviving spouse or children under twenty-one years of age survive the member. Benefits cease pursuant to this section when no eligible surviving beneficiary exists, through either death of the eligible surviving spouse or death or the attainment of twenty-one years of age by the eligible surviving children. If the member's surviving spouse is receiving equal shares of the benefit described in subdivision (2) of this subsection, 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 subdivision (2) of this subsection.

2. Effective January 1, 1985, if an employee who has three or more, but less than [ten] **five** years of creditable service dies before retirement, the surviving spouse of the deceased employee, if [named as beneficiary and] married to the deceased employee on the date of the employee's death, or the deceased employee's surviving [unemancipated] **eligible** 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] **eligible** 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] **eligible** 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 a 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] **eligible** 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. **If the benefit payable pursuant to subsection 1 of this section exceeds the benefit payable pursuant to this subsection, then the benefit payable pursuant to subsection 1 of this section shall be paid in lieu of any benefit payable pursuant to this subsection.**

104.250. 1. All payroll deductions and deferred compensation provided for under sections 104.010 to 104.270 are hereby made obligations of the state of Missouri. No alteration, amendment, or repeal of sections 104.010 to 104.270 shall affect the then existing rights of members and beneficiaries, but shall be effective only as to rights which would otherwise accrue under sections 104.010 to 104.270 as a result of services rendered by an employee after such alteration, amendment, or repeal.

2. Any annuity, benefits, funds, property, or rights created by, or accruing to, any person under the provisions of sections 104.010 to 104.270 are hereby made and declared exempt from any tax of the state of Missouri or any political subdivision or taxing body thereof, and shall not be subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim whatsoever, and shall be unassignable **except that any payment from the retirement system shall be subject to the collection of child support or spousal maintenance.**

104.270. The state highways and transportation commission may provide for [insurance] benefits to cover medical expenses and death for members of the [state] **highways and transportation [department] employees' and highway patrol retirement system.** Any plan may provide medical benefits for dependents of members and for [retired members] **retirees of the closed and year 2000 plans and for persons entitled to deferred annuities in the closed and year 2000 plans and their dependents.** Death benefits shall be comparable to those provided for in section 104.517. 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 under the provisions of section 104.515. Except as otherwise provided by law, the cost of benefits for dependents of members and for [retired members] **retirees** and their dependents shall be paid by the members. The [state highways and transportation] commission may contract **with other persons or entities including but not limited to third-party administrators, health network providers, and health maintenance organizations** 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] **The commission may require reimbursement of any medical claims paid by the commission's medical plan for which there was third-party liability.**

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 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 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 one year of such 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.

(3) Persons described in subdivision (1) of this subsection who terminate employment on or after September 1, 2001, shall no longer be eligible to make the election as described in that subdivision.

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 for compensation to the state of Missouri under a contract, and who by virtue of such employment was a member of a retirement system or other employer-sponsored retirement plan other than the Missouri state employees' retirement system but is not vested in such other retirement system or plan, or was not a member of any retirement system or plan, may elect, prior to retirement, to purchase [up to four years of] **all of the member's** creditable prior service **but not to exceed four years** for such service 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 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 person's compensation during such period been the same as the annual salary rate at which the person was initially employed 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 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 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. The contribution rate for any judge who elects to purchase service for a period prior to July 1, 1998, shall be equal to a contribution rate which would be used if the judicial system were funded on an actuarial basis prior to that date.

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 employed on or after August 28, 2000, who has forfeited service shall have the forfeited period of service restored **after receiving creditable service continuously for one year.**

104.374. 1. The normal annuity of a member, other than a member of the general assembly or a member who served in an elective state office, shall be an amount equal to one and six-tenths percent of the average compensation of the member multiplied by the number of years of creditable service of the member. Years of membership service and twelfths of a year are to be used in calculating any annuity. Absences **taken by an employee without compensation** for sickness and injury **of the employee** of less than twelve months **or for leave taken by an employee without compensation pursuant to the provisions of the Family and Medical Leave Act of 1993** shall be counted as years of [membership] **creditable** service.

2. In addition to the amount determined pursuant to subsection 1 of this section, the normal annuity of a uniformed member of the water patrol shall be increased by thirty-three and one-third percent of the benefit.

3. Employees who are fully vested at the age of sixty-five years and who continue to be employed by an agency covered under the system or members of the general assembly who serve in the general assembly after the age of sixty-five years shall have added to their normal annuity when they retire or die an amount equal to the total of all annual cost-of-living increases that the retired members of the system received during the years between when the employee or member of the general assembly reached sixty-five years of age and the year that the employee or member of the general assembly terminated employment or died. In no event shall the total increase in compensation granted under this subsection and subsection 2 of section

104.612 exceed sixty-five percent of the person's normal annuity calculated at the time of retirement or 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 and works more than one thousand hours per year regardless of the number of positions held on or after the first day of employment, the retired member shall not receive an annuity or additional creditable service for any month or part of a month for which the retired member is so employed. The system shall recover any benefit payments received by the retiree during any year that the retiree works more than one thousand hours pursuant to section 104.490. The term "year" as used in this section shall mean the twelve-month period beginning on the annuity starting date and each subsequent year thereafter. The provisions of this section shall apply to all retired members employed on or after September 1, 2001, regardless of when the retired member was first employed. Any person who is an employee on or after August 28, 2001, retires and is subsequently employed in a position covered by the highways and transportation employees' and highway patrol retirement system shall not be eligible to receive retirement benefits or additional creditable service from the system.] **1. A retiree who is first reemployed by a department prior to September 1, 2001, in a position normally requiring the performance of duties during not less than one thousand hours per year shall not receive an annuity for any month or part of a month for which the member is so employed. Such retiree shall accrue additional creditable service based on such reemployment and upon termination of such reemployment shall receive an additional amount of monthly annuity calculated to include only the creditable service and the average compensation earned by the member during such reemployment; except if the retiree is reemployed as a member of the general assembly, such annuity shall be calculated based on creditable service earned as a member of the general assembly. Years of creditable service and twelfths of a year are to be used in calculating any additional annuity except for a retiree who is reemployed as a member of the general assembly. The system shall recommence payment of the original annuity and commence payment of the additional annuity during the first month after the month during which the retiree terminates such reemployment.**

2. A retiree who is first reemployed on or after August 28, 2001, in a position normally requiring the performance of duties during not less than one thousand hours per year that is covered by the highways and transportation department employees' and highway patrol retirement system shall not be eligible to receive retirement benefits or additional creditable service from the Missouri state employees' retirement system.

3. A retiree who is first reemployed by a department on or after September 1,

2001, but prior to September 1, 2002, and is employed more than one thousand hours per year shall not receive an annuity beginning the month following the month the retiree works more than one thousand hours per year. The term "year" as used in this subsection shall mean the twelve-month period beginning on the annuity starting date and each subsequent year thereafter. The term "hours" as used in this subsection shall mean hours worked in all positions with all departments. The system shall recommence payment of the original annuity to a retiree beginning on the first month after the month during which the retiree completes reemployment for the year. In no event shall a retiree receive any additional creditable service based on reemployment after retirement.

4. A retiree who is first reemployed by a department on or after September 1, 2002, shall be subject to the requirements contained in subsection 1 of this section, except that such retiree shall not accrue any additional creditable service during such reemployment or receive life insurance as an employee.

5. A retiree who is reemployed pursuant to this section, terminates such reemployment, and subsequently is reemployed shall be subject to the applicable provisions of this section based on the date of such subsequent reemployment.

104.400. 1. Any member **who terminates employment** may retire with a normal annuity upon obtaining normal retirement age.

2. Any member after attaining fifty-five years of age who has at least ten years of vesting service may retire. In such case, the member, except uniformed members of the water patrol, shall receive an annuity in an amount which is the actuarial reduction approved by the board of the normal annuity the member would have received commencing at the earliest date on which the member is entitled to an unreduced benefit based on the member's creditable service at the date of the member's termination of employment.

104.436. 1. Beginning January 1, 1991, at least ninety days before each regular session of the general assembly, the board shall certify to the division of budget an actuarially determined [estimate of the amount] **contribution rate** which will be necessary during the next [biennial or] appropriation period to pay [all liabilities] **the system's normal cost**, including costs of administration, [which shall exist or accrue under sections 104.010 and 104.320 to 104.800 during such period] **and amortize any existing unfunded accrued liability over a period of not more than forty years**. The [estimate] **contribution rate** shall be computed as a level percentage of payroll [compensation to cover the normal cost and to amortize the accrued liability over a period not to exceed forty years].

2. The commissioner of administration shall request appropriation of the amount calculated under the provisions of subsection 1 of this section. **Following each pay period**, the commissioner of administration [monthly] shall requisition and certify the payment to the

executive director of the Missouri state employees' retirement system. The executive director shall promptly deposit the amounts certified to the credit of the Missouri state employees' retirement fund.

3. The employers of members of the system who are not paid out of funds that have been deposited in the state treasury shall remit promptly to the executive director an amount equal to the amount which the state would have paid if those members had been paid entirely from state funds. The executive director shall promptly deposit the amounts certified to the credit of the Missouri state employees' retirement system fund.

4. These amounts are funds of the system, and shall not be commingled with any funds in the state treasury.

104.438. The commissioner of administration at the end of each **[month] pay period** shall certify to the state treasurer the amount required to be paid on account of officers and employees of each department, division, agency or unit of government whose services are covered by the Missouri state employees' retirement system. Thereupon the state treasurer shall immediately transfer such amounts from the proper funds to the credit of the fund for the Missouri state employees' retirement system.

104.515. 1. Separate accounts for medical, life insurance and disability benefits provided pursuant to sections 104.517 and 104.518 shall be established as part of the fund. The funds, property and return on investments of the separate account shall not be commingled with any other funds, property and investment return of the system. All benefits and premiums are paid solely from the separate account for medical, life insurance and disability benefits provided pursuant to this section.

2. The state shall contribute an amount as appropriated by law and approved by the governor per month for medical benefits, life insurance and long-term disability benefits as provided pursuant to this section and sections 104.517 and 104.518. Such amounts shall include the cost of providing life insurance benefits for each active employee who is a member of the Missouri state employees' retirement system, a member of the public school retirement system and who is employed by a state agency other than an institution of higher learning, a member of the retirement system established by sections 287.812 to 287.855, RSMo, the judicial retirement system, each legislator and official holding an elective state office, members not on payroll status who are receiving workers' compensation benefits, and if the state highways and transportation commission so elects, those employees who are members of the state transportation department employees' and highway patrol retirement system; if the state highways and transportation commission so elects to join the plan, the state shall contribute an amount as appropriated by law for medical benefits for those employees who are members of the transportation department employees' and highway patrol retirement system; an additional amount equal to the amount required, based on competitive bidding or determined actuarially, to fund the retired members'

death benefit or life insurance benefit, or both, provided in subsection 4 of this section and the disability benefits provided in section 104.518. This amount shall be reported as a separate item in the monthly certification of required contributions which the commissioner of administration submits to the state treasurer and shall be deposited to the separate account for medical, life insurance and disability benefits. All contributions made on behalf of members of the state transportation department employees' and highway patrol retirement system shall be made from highway funds. If the highways and transportation commission so elects, the spouses and unemancipated children under twenty-three years of age of employees who are members of the state transportation department employees' and highway patrol retirement system shall be able to participate in the program of insurance benefits to cover medical expenses pursuant to the provisions of subsection 3 of this section.

3. The board shall determine the premium amounts required for participating employees. The premium amounts shall be the amount, which, together with the state's contribution, is required to fund the benefits provided, taking into account necessary actuarial reserves. Separate premiums shall be established for employees' benefits and a separate premium or schedule of premiums shall be established for benefits for spouses and unemancipated children under twenty-three years of age of participating employees. The employee's premiums for spouse and children benefits shall be established to cover that portion of the cost of such benefits which is not paid for by contributions by the state. All such premium amounts shall be paid to the board of trustees at the time that each employee's wages or salary would normally be paid. The premium amounts so remitted will be placed in the separate account for medical, life insurance and disability benefits. In lieu of the availability of premium deductions, the board may establish alternative methods for the collection of premium amounts.

4. Each special consultant eligible for life benefits employed by a board of trustees of a retirement system as provided in section 104.610 who is a member of the Missouri state life insurance plan or Missouri state transportation department and Missouri state highway patrol life insurance plan shall, in addition to duties prescribed in section 104.610 or any other law, and upon request of the board of trustees, give the board, orally or in writing, a short detailed statement on life insurance and death benefit problems affecting retirees. As compensation for the extra duty imposed by this subsection, any special consultant as defined above, other than a special consultant entitled to a deferred normal annuity pursuant to section 104.035 or 104.335, who retires on or after September 28, 1985, shall receive as a part of compensation for these extra duties, a death benefit of five thousand dollars, **and any special consultant who terminates employment on or after August 28, 1999, after reaching normal or early retirement age and becomes a retiree within sixty days of such termination shall receive five thousand dollars of life insurance coverage.** In addition, each special consultant who is a member of the transportation department employees' and highway patrol

retirement system medical insurance plan shall also provide the board, upon request of the board, orally or in writing, a short detailed statement on physical, medical and health problems affecting retirees. As compensation for this extra duty, each special consultant as defined above shall receive, in addition to all other compensation provided by law, nine dollars, or an amount equivalent to that provided to other special consultants pursuant to the provisions of section 103.115, RSMo. In addition, any special consultant as defined in section 287.820, RSMo, or section 476.601, RSMo, who terminates employment and immediately retires on or after August 28, 1995, shall receive as a part of compensation for these duties, a death benefit of five thousand dollars **and any special consultant who terminates employment on or after August 28, 1999, after reaching the age of eligibility to receive retirement benefits and becomes a retiree within sixty days of such termination shall receive five thousand dollars of life insurance coverage.**

5. Any former employee who is receiving disability income benefits from the Missouri state employees' retirement system or the transportation department employees' and highway patrol retirement system shall, upon application with the board of trustees of the Missouri consolidated health care plan or the transportation department employees and highway patrol medical plan, be made, constituted, appointed and employed by the respective board as a special consultant on the problems of the health of disability income recipients and, upon request of the board of trustees of each medical plan, give the board, orally or in writing, a short detailed statement of physical, medical and health problems affecting disability income recipients. As compensation for the extra duty imposed by this subsection, each such special consultant as defined in this subsection may receive, in addition to all other compensation provided by law, an amount contributed toward medical benefits coverage provided by the Missouri consolidated health care plan or the transportation employees and highway patrol medical plan pursuant to appropriations.

104.540. 1. All premium payments and deferred compensation provided for under sections 104.320 to 104.540 are hereby made obligations of the state of Missouri. No alteration, amendment, or repeal of sections 104.320 to 104.540 shall affect the then existing rights of members and beneficiaries, but shall be effective only as to rights which would otherwise accrue hereunder as a result of services rendered by an employee after such alteration, amendment, or repeal.

2. Any annuity, benefits, funds, property, or rights created by, or accruing or paid to, any person under the provisions of sections 104.320 to 104.540 shall not be subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim whatsoever, and shall be unassignable, except with regard to the collection of child support or maintenance, **and except that a beneficiary may assign life insurance proceeds.** Any retired member of the system may request the executive director of the system, in writing, to withhold and pay on his

behalf to the proper person, from each of his monthly retirement benefit payments, if the payment is large enough, the contribution due from the retired member to any group providing prepaid hospital care and any group providing prepaid medical and surgical care and any group providing life insurance when such group is composed entirely of members of the system.

3. The executive director of the system shall, when requested in writing by a retired member, withhold and pay over the funds authorized in subsection 2 of this section until such time as the request to do so is revoked by the death or written revocation of the retired member.

104.601. Any member retiring pursuant to the provisions of this chapter or any member retiring pursuant to provisions of chapter 169, RSMo, who is a member of the public school retirement system and who is employed by a state agency other than an institution of higher learning, after working continuously until reaching retirement age, shall be credited with all his or her unused sick leave as **reported through the financial and human resources system maintained by the office of administration or, if not so reported, as** certified by his or her employing agency. When calculating years of service, each member shall be entitled to one-twelfth of a year of creditable service for each one hundred sixty-eight hours of unused accumulated sick leave earned by the member. **The employing agency shall not certify unused sick leave unless such unused sick leave could have been used by the member for sickness or injury.** The rate of accrual of sick leave for purposes of computing years of service [as] **pursuant to** this section [applies to legislative, executive and judicial employees] shall be [consistent with the rate of accrual as specified by regulations of the personnel advisory board pursuant to section 36.350, RSMo] **no greater than ten hours per month.** Nothing under this section shall allow a member to vest in the retirement system by using such credited sick leave to reach the time of vesting.

104.605. 1. Notwithstanding any provision to the contrary in this chapter, the term "eligible rollover distribution" shall have the meaning specified in section 402(c)(4) of the Internal Revenue Code of 1986, as amended, and which is herein incorporated by reference.

2. Notwithstanding any provision to the contrary in this chapter, the term "eligible retirement plan" shall have the meaning specified in section 402(c)(8)(B) of the Internal Revenue Code of 1986, as amended, and which is herein incorporated by reference.

3. For distributions occurring after December 31, 1993, the systems shall comply with section 401(a)(31) of the Internal Revenue Code of 1986, as amended, and which is herein incorporated by reference.

104.620. 1. Any member who has not received a lump sum payment equal to the sum total of the contributions that the member paid into the retirement system, plus interest credited to his or her account, shall be entitled to such a lump sum payment. Lump sum payments made

pursuant to this section shall not be reduced by any retirement benefits which a member is entitled to receive, but shall be paid in full out of appropriate funds pursuant to appropriations for this purpose.

2. In the event any accumulated contributions standing to a member of the Missouri state employees' retirement system's credit remains unclaimed by such member for a period of four years or more, such accumulated contributions shall automatically revert to the credit of the fund for the Missouri state employees' retirement system. If an application is made, after such reversion, for such accumulated contributions, the board shall pay such contributions from the fund for the Missouri state employees' retirement system; except that, no interest shall be paid on such funds after the date of the reversion to the fund for the Missouri state employees' retirement system.

3. **In the event any amount is due a deceased member, survivor, or beneficiary who dies after September 1, 2002, such amount shall be paid to the person or entity designated in writing as beneficiary to receive such amount by such member, survivor, or beneficiary. The member, survivor, or beneficiary may designate in writing a beneficiary to receive any final payment due after the death of a member, survivor, or beneficiary pursuant to this chapter. If no living person or entity so designated as beneficiary exists at the time of death, such amount shall be paid to the surviving spouse married to the deceased member, survivor, or beneficiary at the time of death. If no surviving spouse exists, such amount shall be paid to the surviving children or their descendants of such member, survivor, or beneficiary in equal parts. If no surviving children or any of their descendants exist, such amount shall be paid to the surviving parents of such member, survivor, or beneficiary in equal parts. If no surviving parents exist, such amount shall be paid to the surviving brothers, sisters, or their descendants of such member, survivor, or beneficiary in equal parts. If no surviving brothers, sisters, or their descendants exist, payment may be made as otherwise permitted by law. Notwithstanding this subsection, any amount due to a deceased member as payment of all or part of a lump sum pursuant to section 104.625 shall be paid to the member's surviving spouse married to the member at the time of death, and otherwise payment may be made as provided in this subsection.** In the event any amount that is due to a member of either system remains unclaimed by such member for a period of four years or more, such amount shall automatically revert to the credit of the fund of the member's system. If an application is made after such reversion for such amount, the board shall pay such amount from the board's fund to the member, except that no interest shall be paid on such funds after the date of the reversion to the fund.

4. **The beneficiary of any member who purchased creditable service in the Missouri state employees' retirement system shall receive a refund upon the member's**

death equal to the amount of any purchase less any retirement benefits received by the member unless an annuity is payable to a survivor or beneficiary as a result of the member's death. In that event, the beneficiary of the survivor or beneficiary who received the annuity shall receive a refund upon the survivor's or beneficiary's death equal to the amount of the member's purchase of service less any annuity amounts received by the member and the survivor or beneficiary.

104.1018. 1. When a member is no longer employed in a position covered by the system, membership in the system shall thereupon cease. If a member has five or more years of credited service upon such member's termination of membership, such member shall be a vested former member entitled to a deferred annuity pursuant to section 104.1036. If a member has fewer than five years of credited service upon termination of membership, such former member's credited service shall be forfeited, provided that if such former member becomes reemployed in a position covered by the system, such former member shall again become a member of the system and the forfeited credited service shall be restored **after receiving creditable service continuously for one year.**

2. Upon a member becoming a retiree, membership shall cease and, except as otherwise provided in section 104.1039, the person shall not again become a member of the system.

3. If a vested former member becomes reemployed in a position covered by the system before such vested former member's annuity starting date, membership shall be restored with the previous credited service and increased by such reemployment.

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

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

3. If a member is employed in a covered position and simultaneously employed in one or

more other covered or noncovered positions, credited service shall be determined as if all such employment were in one position, and covered pay shall be the total of pay for all such positions.

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

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

6. Any member who had active military service in the United States Army, Air Force, Navy, Marine Corps, Army or Air National Guard, Coast Guard, or any reserve component thereof prior to becoming a member, or who is otherwise ineligible to receive credited service pursuant to subsection 1 or 5 of this section, and who became a member after the person's discharge from military service under honorable conditions may elect, prior to retirement, to purchase credited service for all such military service, but not to exceed four years, provided the person is not receiving and is not eligible to receive retirement credits or benefits from any other public or private retirement plan, other than a United States military service retirement system, for the military service to be purchased, and an affidavit so stating is filed by the member with the year 2000 plan along with the submission of appropriate documentation verifying the member's dates of active service. The purchase shall be effected by the member paying to the system an amount equal to the state's contributions that would have been made to the system on the member's behalf had the member been a member for the period for which the member is electing to purchase credit and had the member's pay during such period of membership been the same as the annual pay rate as of the date the member was initially employed as a member, with the calculations based on the contribution rate in effect on the date of such member's employment with simple interest calculated from the date of employment to the date of election pursuant to this subsection. The payment shall be made over a period of not longer than two years, measured from the date of election, and with simple interest on the unpaid balance. If a member who purchased credited service pursuant to this subsection dies prior to retirement, the surviving spouse may, upon written request, receive a refund of the amount contributed for such purchase of such credited service, provided the surviving spouse is not entitled to survivorship benefits payable pursuant to the provisions of section 104.1030.

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

credited under the closed plan.

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

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

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

11. A member may not purchase any credited service described in this section unless the member has met the five-year minimum service requirement as provided in subdivisions (11) and (20) of section 104.1003, the two full biennial assemblies minimum service requirement as provided in section 104.1084, or the four-year minimum service requirement as provided in section 104.1084.

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

104.1039. [If a retiree is employed as an employee by a department and works more than one thousand hours per year regardless of the number of positions held on or after the first day of employment, the retiree shall not receive an annuity or additional credited service for any month or part of a month for which the retiree is so employed. The system shall recover any benefit payments received by the retiree during any year that the retiree works more than one thousand hours pursuant to section 104.1060. The term "year" as used in this section shall mean the twelve-month period beginning on the annuity starting date and each subsequent year thereafter.] **1. A retiree who is first reemployed by a department prior to August 28, 2001, in a position normally requiring the performance of duties during not less than one thousand hours per year shall not receive an annuity for any month or part of a month for which the member is so employed. Such retiree shall accrue additional credited service based on such reemployment and upon termination of such reemployment shall receive an additional amount of monthly annuity calculated to**

include only the credited service and the final average pay earned by the member during such reemployment; except if the retiree is reemployed as a member of the general assembly or statewide elected official, such annuity shall be calculated based on credited service earned by such member of the general assembly or statewide elected official. The system shall recommence payment of the original annuity and commence payment of the additional annuity during the first month after the month during which the retiree terminates such reemployment.

2. A retiree who is first reemployed on or after August 28, 2001, but prior to August 28, 2002, and is employed more than one thousand hours per year shall not receive an annuity beginning the month following the month the retiree works more than one thousand hours per year. The term "year" as used in this subsection shall mean the twelve-month period beginning on the annuity starting date and each subsequent year thereafter. The term "hours" as used in this subsection shall mean hours worked in all positions with all departments. The system shall recommence payment of the original annuity to a retiree beginning on the first month after the month during which the retiree completes reemployment for the year. In no event shall a retiree receive any additional creditable service based on reemployment after retirement.

3. A retiree who is first reemployed by a department on or after August 28, 2002, shall be subject to the requirements contained in subsection 1 of this section, except that such retiree shall not accrue any additional credited service during such reemployment, and if a retiree covered by the Missouri state employees' retirement system, shall not receive life insurance as an employee.

4. A retiree who is reemployed pursuant to this section, terminates such reemployment, and subsequently is reemployed shall be subject to the applicable provisions of this section based on the date of such subsequent reemployment.

104.1054. 1. The benefits provided to each member and each member's spouse, beneficiary, or former spouse under the year 2000 plan are hereby made obligations of the state of Missouri and are an incident of every member's continued employment with the state. No alteration, amendment, or repeal of the year 2000 plan shall affect the then existing rights of members, or their spouses, beneficiaries or former spouses, but shall be effective only as to rights which would otherwise accrue hereunder as a result of services rendered by a member after such alteration, amendment, or repeal.

2. Except as otherwise provided in section 104.1051, any annuity, benefit, funds, property, or rights created by, or accruing or paid to, any person covered under the year 2000 plan shall not be subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim whatsoever, and shall be unassignable, except with regard to the collection

of child support and maintenance, **and except that a beneficiary may assign life insurance proceeds.** Any retiree may request the executive director, in writing, to withhold and pay on his behalf to the proper person, from each of his monthly annuity payments, if the payment is large enough, the contribution due from the retiree to any group providing state-sponsored life or medical insurance.

3. The executive director shall, when requested in writing by a retiree, withhold and pay over the funds authorized in subsection 2 of this section until such time as the request to do so is revoked by the death or written revocation of the retiree.

4. **In the event any amount is due a deceased member, survivor, or beneficiary who dies after September 1, 2002, such amount shall be paid to the person or entity designated in writing as beneficiary to receive such amount by such member, survivor, or beneficiary. The member, survivor, or beneficiary may designate in writing a beneficiary to receive any final payment due after the death of a member, survivor, or beneficiary pursuant to this chapter. If no living person or entity so designated as beneficiary exists at the time of death, such amount shall be paid to the surviving spouse married to the deceased member, survivor, or beneficiary at the time of death. If no surviving spouse exists, such amount shall be paid to the surviving children or their descendants of such member, survivor, or beneficiary in equal parts. If no surviving children or any of their descendants exist, such amount shall be paid to the surviving parents of such member, survivor, or beneficiary in equal parts. If no surviving parents exist, such amount shall be paid to the surviving brothers, sisters, or their descendants of such member, survivor, or beneficiary in equal parts. If no surviving brothers, sisters, or their descendants exist, payment may be made as otherwise permitted by law. Notwithstanding this subsection, any amount due to a deceased member as payment of all or part of a lump sum pursuant to subsection 6 of section 104.1024 shall be paid to the member's surviving spouse married to the member at the time of death, and otherwise payment may be made as provided in this subsection.** In the event any amount that is due to a person from either system remains unclaimed by such member for a period of four years or more, such amount shall automatically revert to the credit of the fund of the member's system. If an application is made for such amount after such reversion, the board shall pay such amount to the person from the board's fund, except that no interest shall be paid on such amounts after the date of the reversion to the fund.

5. All annuities payable pursuant to the year 2000 plan shall be determined based upon the law in effect on the last date of termination of employment.

6. **The beneficiary of any member who purchased creditable service in the Missouri state employees' retirement system shall receive a refund upon the member's**

death equal to the amount of any purchase less any retirement benefits received by the member unless an annuity is payable to a survivor or beneficiary as a result of the member's death. In such event, the beneficiary of the survivor or beneficiary who received the annuity shall receive a refund upon the survivor's or beneficiary's death equal to the amount of the member's purchase of services less any annuity amounts received by the member and the survivor or beneficiary.

104.1055. 1. Notwithstanding any provision to the contrary in this chapter, the term "eligible rollover distribution" shall have the meaning specified in section 402(c)(4) of the Internal Revenue Code of 1986, as amended, and which is herein incorporated by reference.

2. Notwithstanding any provision to the contrary in this chapter, the term "eligible retirement plan" shall have the meaning specified in section 402(c)(8)(B) of the Internal Revenue Code of 1986, as amended, and which is herein incorporated by reference.

3. For distributions occurring after December 31, 1993, the systems shall comply with section 401(a)(31) of the Internal Revenue Code of 1986, as amended, and which is herein incorporated by reference.

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 until December 31, 2000. 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 287.856, 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 equal to 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;

(2) [Upon a] **Any member [terminating] who terminates** employment [and becoming a retiree the month following termination of employment,] **after reaching normal or early retirement eligibility and becomes a retiree within sixty days of such termination shall receive** five thousand dollars of life insurance [shall be provided] **coverage.**

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 an annuity based on the attainment of at least fifty years of age with a total of years of age and years of credited service which is at least eighty 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 member's attainment of the earliest age for eligibility for reduced Social Security retirement benefits 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 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 as required 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.

104.1075. **1.** Each board shall provide or contract, or both, for disability income benefits for employees pursuant to sections 104.1003 to 104.1093, and other persons specified by applicable state law, as follows:

(1) Definitions of disability and other rules and procedures necessary for the operation and administration of the disability benefit shall be established by each board;

(2) An employee may elect to waive the receipt of the disability benefit provided for under this section at any time.

2. To the extent that board enters or has entered into any contract with any insurer or service organization to provide the disability benefits provided for pursuant to this section:

(1) The obligation to provide such disability benefits shall be primarily that of the insurer or service organization and secondarily that of the board;

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

(3) The board and the system shall not be liable for the disability benefits provided for by an insurer or service organization pursuant to this section and shall not be subject to any cause of action with regard to disability benefits or the denial of disability benefits by the insurer or service organization unless the member has obtained judgment against the insurer or service organization for disability benefits

and the insurer or service organization is unable to satisfy that judgment.

104.1200. As used in [this section and section] **sections 104.1200 to 104.1215**, the following terms mean:

(1) "Education employee", any person described in the following classifications who is employed by one of the institutions, otherwise would meet the definition of "employee" pursuant to section 104.010 or 104.1003, and is not employed at a technical or vocational school or college: teaching personnel, instructors, assistant professors, associate professors, professors and academic administrators holding faculty rank;

(2) "Institutions", Truman State University, Northwest Missouri State University, Southeast Missouri State University, Southwest Missouri State University, Central Missouri State University, Harris-Stowe State College, Lincoln University, Missouri Western State College and Missouri Southern State College;

(3) "Outside employee", any other provisions of sections 104.010 to 104.1093 to the contrary notwithstanding, an education employee first so employed on or after July 1, 2002. An outside employee shall not be covered by the other benefit provisions of this chapter, but rather shall be covered by the benefit provisions provided for pursuant to sections 104.1200 to 104.1215.

104.1210. 1. In no event shall any outside employee [or member of the Missouri state employees' retirement system] receive [creditable service or] credited service in the system for any time period in which such employee or member participated in the defined contribution plan established pursuant to sections 104.1200 to 104.1215.

2. Institutions and any third-party administrator shall provide such information to the Missouri state employees' retirement system as may be required to implement the provisions of sections 104.1200 to 104.1215.

476.517. Any judge who is or has been a commissioner or deputy commissioner of the circuit court appointed after February 29, 1972, who has received creditable service pursuant to chapter 104, RSMo, and sections 476.515 to 476.565, based on service as a commissioner or deputy commissioner shall make a one-time retirement plan election upon application to receive retirement benefits. Such judge shall elect to:

(1) Receive retirement benefits based on all of the judge's service as a commissioner or deputy commissioner of the circuit court pursuant to section 104.374 or 104.1024, RSMo, or sections 476.515 to 476.565; or

(2) Receive retirement benefits pursuant to section 104.374 or 104.1024, RSMo, based on the judge's service as a commissioner or deputy commissioner of the circuit court prior to August 28, 1999, and receive retirement benefits pursuant to sections 476.515 to 476.565 based on the judge's service as a commissioner or deputy commissioner of the circuit court on or after August 28, 1999.

[104.095. If an employee with ten or more years of creditable service dies before

retirement, his spouse, if named as his beneficiary, may elect, in lieu of the benefits provided in section 104.140, to receive the reduced survivorship benefits under this section calculated as if the member had retired as of the date of his death. If a member who is entitled to a deferred normal annuity under the provisions of section 104.035 dies before retirement, his spouse, if named as his beneficiary, shall receive the reduced survivorship benefits under section 104.090 calculated as if the member had retired as of the date of his death.】

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