

FIRST REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 401

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CROWELL.

Read 1st time January 30, 2007, and ordered printed.

Read 2nd time February 1, 2007, and referred to the Committee on Pensions, Veterans' Affairs and General Laws.

Reported from the Committee February 8, 2007, with recommendation that the bill do pass and be placed on the Consent Calendar.

Taken up February 21, 2007. Read 3rd time and placed upon its final passage; bill passed.

TERRY L. SPIELER, Secretary.

1531S.01P

AN ACT

To repeal sections 104.344 and 104.1090, RSMo, and to enact in lieu thereof three new sections relating to purchase of creditable prior service by members of the Missouri state employees' retirement system and the Missouri department of transportation and highway patrol employees' retirement system.

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

Section A. Sections 104.344 and 104.1090, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 104.344, 104.606,
3 and 104.1090, to read as follows:

104.344. Notwithstanding any other law to the contrary, any person who
2 is actively employed by the state of Missouri in a position covered by a retirement
3 plan administered by the Missouri state employees' retirement system and who
4 had nonfederal full-time public employment in the state of Missouri [or who had
5 provided full-time services for compensation to the state of Missouri under a
6 contract], and who by virtue of such employment was a member of a retirement
7 system or other employer-sponsored retirement plan other than the Missouri
8 state employees' retirement system but is not vested in such other retirement
9 system or plan, or was not a member of any retirement system or plan, may elect,
10 prior to retirement, to purchase all of the member's creditable prior service but
11 not to exceed four years for such service in any plan administered by the Missouri

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

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

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

104.1090. 1. Any member who as described in subdivision (1) of
2 subsection 1 of section 104.1009 has been employed in a position covered by the
3 system for at least ten or more years and has received credited service for such
4 employment in the year 2000 plan shall receive additional credited service for
5 previous public employment within the state covered by another retirement plan
6 as defined in section 105.691, RSMo, if all of the following conditions are met:

7 (1) Such member has a vested right to receive a retirement benefit from

8 the other retirement plan at the time of application pursuant to this section;

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

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

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

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

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

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