

FIRST REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 406

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 March 5, 2007. Read 3rd time and placed upon its final passage; bill passed.

TERRY L. SPIELER, Secretary.

1648S.03P

AN ACT

To repeal sections 104.010, 104.352, 104.354, 104.1003, 104.1021, and 104.1087, RSMo, and to enact in lieu thereof six new sections relating to the administration of state employee retirement benefits.

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

Section A. Sections 104.010, 104.352, 104.354, 104.1003, 104.1021, and
2 104.1087, RSMo, are repealed and six new sections enacted in lieu thereof, to be
3 known as sections 104.010, 104.352, 104.354, 104.1003, 104.1021, and 104.1087,
4 to read as follows:

104.010. 1. The following words and phrases as used in sections 104.010
2 to 104.800, unless a different meaning is plainly required by the context, shall
3 mean:

4 (1) "Accumulated contributions", the sum of all deductions for retirement
5 benefit purposes from a member's compensation which shall be credited to the
6 member's individual account and interest allowed thereon;

7 (2) "Active armed warfare", any declared war, or the Korean or
8 Vietnamese Conflict;

9 (3) "Actuarial equivalent", a benefit which, when computed upon the basis
10 of actuarial tables and interest, is equal in value to a certain amount or other
11 benefit;

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

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

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

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

19 (7) "Average compensation", the average compensation of a member for
20 the thirty-six consecutive months of service prior to retirement when the
21 member's compensation was greatest; or if the member is on workers'
22 compensation leave of absence or a medical leave of absence due to an employee
23 illness, the amount of compensation the member would have received may be
24 used, as reported and verified by the employing department; or if the member had
25 less than thirty-six months of service, the average annual compensation paid to
26 the member during the period up to thirty-six months for which the member
27 received creditable service when the member's compensation was the greatest; or
28 if the member is on military leave, the amount of compensation the member
29 would have received may be used as reported and verified by the employing
30 department or, if such amount is not determinable, the amount of the employee's
31 average rate of compensation during the twelve-month period immediately
32 preceding such period of leave, or if shorter, the period of employment
33 immediately preceding such period of leave. **The board of each system may**
34 **promulgate rules for purposes of calculating average compensation and**
35 **other retirement provisions to accommodate for any state payroll**
36 **system in which compensation is received on a monthly, semimonthly,**
37 **biweekly, or other basis;**

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

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

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

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

45 (12) "Compensation":

46 (a) All salary and wages payable out of any state, federal, trust, or other
47 funds to an employee for personal services performed for a department; but

48 including only amounts for which contributions have been made in accordance
49 with section 104.436, or section 104.070, whichever is applicable, and excluding
50 any nonrecurring single sum payments or amounts paid after the member's
51 termination of employment unless such amounts paid after such termination are
52 a final installment of salary or wages at the same rate as in effect immediately
53 prior to termination of employment in accordance with a state payroll system
54 adopted on or after January 1, 2000, or any other one-time payments made as a
55 result of such payroll system;

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

60 (c) Effective December 31, 1995, compensation in excess of the limitations
61 set forth in Internal Revenue Code Section 401(a)(17) shall be disregarded. The
62 limitation on compensation for eligible employees shall not be less than the
63 amount which was allowed to be taken into account under the system as in effect
64 on July 1, 1993. For this purpose, an "eligible employee" is an individual who
65 was a member of the system before the first plan year beginning after December
66 31, 1995;

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

71 (14) "Creditable prior service", the service of an employee which was
72 either rendered prior to the establishment of a system, or prior to the date the
73 employee last became a member of a system, and which is recognized in
74 determining the member's eligibility and for the amount of the member's benefits
75 under a system;

76 (15) "Creditable service", the sum of membership service and creditable
77 prior service, to the extent such service is standing to a member's credit as
78 provided in this chapter; except that in no case shall more than one day of
79 creditable service or creditable prior service be credited any member for any one
80 calendar day of eligible service credit as provided by law;

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

84 (17) "Department", any department or agency of the executive, legislative
85 or judicial branch of the state of Missouri receiving state appropriations,
86 including allocated funds from the federal government but not including any body
87 corporate or politic unless its employees are eligible for retirement coverage from
88 a system pursuant to this chapter as otherwise provided by law;

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

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

94 (20) "Employee":

95 (a) Any elective or appointive officer or person employed by the state who
96 is employed, promoted or transferred by a department into a new or existing
97 position and earns a salary or wage in a position normally requiring the
98 performance by the person of duties during not less than one thousand **forty**
99 hours per year, including each member of the general assembly but not including
100 any patient or inmate of any state, charitable, penal or correctional
101 institution. [Beginning September 1, 2001, the term "year" as used in this
102 subdivision shall mean the twelve-month period beginning on the first day of
103 employment.] However, persons who are members of the public school retirement
104 system and who are employed by a state agency other than an institution of
105 higher learning shall be deemed employees for purposes of participating in all
106 insurance programs administered by a board established pursuant to section
107 104.450. This definition shall not exclude any employee as defined in this
108 subdivision who is covered only under the federal Old Age and Survivors'
109 Insurance Act, as amended. As used in this chapter, the term "employee" shall
110 include:

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

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

118 (b) Any person who **is not a retiree and** has performed services in the
119 employ of the general assembly or either house thereof, or any employee of any

120 member of the general assembly while acting in the person's official capacity as
121 a member, and whose position does not normally require the person to perform
122 duties during at least one thousand **forty** hours per year, with a month of service
123 being any monthly pay period in which the employee was paid for full-time
124 employment for that monthly period; **except that persons described in this**
125 **paragraph shall not include any such persons who are employed on or**
126 **after August 28, 2007, and who have not previously been employed in**
127 **such positions;**

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

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

132 (e)] The system shall consider a person who is employed in multiple
133 positions simultaneously within a single agency to be working in a single position
134 for purposes of determining whether the person is an employee as defined in this
135 subdivision;

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

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

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

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

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

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

148 (27) "Member", as used in sections 104.010 to 104.272 or 104.601 to
149 104.800 shall mean [a member of the highways and transportation employees'
150 and highway patrol retirement system without regard to whether or not the
151 member has been retired] **an employee, retiree, or former employee**
152 **entitled to a deferred annuity covered by the Missouri department of**
153 **transportation and highway patrol employees' retirement**
154 **system.** "Member", as used in this section and sections 104.312 to 104.800, shall
155 mean [a member of] **an employee, retiree, or former employee entitled to**

156 **deferred annuity covered by** the Missouri state employees' retirement system
157 [without regard to whether or not the member has been retired];

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

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

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

170 (31) "Normal retirement age", an employee's attainment of sixty-five years
171 of age and the completion of four years of creditable service or the attainment of
172 age sixty-five years of age and the completion of five years of creditable service
173 by a member who has terminated employment and is entitled to a deferred
174 normal annuity or the member's attainment of age sixty and the completion of
175 fifteen years of creditable service, except that normal retirement age for
176 uniformed members of the highway patrol shall be fifty-five years of age and the
177 completion of four years of creditable service and uniformed employees of the
178 water patrol shall be fifty-five years of age and the completion of four years of
179 creditable service or the attainment of age fifty-five and the completion of five
180 years of creditable service by a member of the water patrol who has terminated
181 employment and is entitled to a deferred normal annuity and members of the
182 general assembly shall be fifty-five years of age and the completion of three full
183 biennial assemblies. Notwithstanding any other provision of law to the contrary,
184 a member of the highways and transportation employees' and highway patrol
185 retirement system or a member of the Missouri state employees' retirement
186 system shall be entitled to retire with a normal annuity and shall be entitled to
187 elect any of the survivor benefit options and shall also be entitled to any other
188 provisions of this chapter that relate to retirement with a normal annuity if the
189 sum of the member's age and creditable service equals eighty years or more and
190 if the member is at least forty-eight years of age;

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

192 compensation;

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

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

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

200 (36) "System" or "retirement system", the [highways and transportation
201 employees' and highway patrol retirement system] **Missouri department of**
202 **transportation and highway patrol employees' retirement system**, as
203 created by sections 104.010 to 104.270, or sections 104.601 to 104.800, or the
204 Missouri state employees' retirement system as created by sections 104.320 to
205 104.800;

206 (37) "Uniformed members of the highway patrol", the superintendent,
207 lieutenant colonel, majors, captains, director of radio, lieutenants, sergeants,
208 corporals, and patrolmen of the Missouri state highway patrol who normally
209 appear in uniform;

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

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

218 2. Benefits paid pursuant to the provisions of this chapter shall not exceed
219 the limitations of Internal Revenue Code Section 415, the provisions of which are
220 hereby incorporated by reference. **Notwithstanding any other law to the**
221 **contrary, the board of trustees may establish a benefit plan under**
222 **Section 415(m) of the Internal Revenue Code of 1986, as amended. Such**
223 **plan shall be created solely for the purposes described in Section**
224 **415(m)(3)(A) of the Internal Revenue Code of 1986, as amended. The**
225 **board of trustees may promulgate regulations necessary to implement**
226 **the provisions of this subsection and to create and administer such**
227 **benefit plan.**

104.352. 1. [Any employee or former employee described in paragraph (b)
2 of subdivision (18) of section 104.010 is entitled to credit for all prior service and
3 membership service as if he had been a member of the system on the date of its
4 inception. Any such employee shall be considered a member of the system from
5 the date of his or her employment and shall receive credit for each month of
6 service for which he is employed with service being computed as if part-time
7 employment with the general assembly were full-time employment for the period
8 the member was so employed.

9 2.] Each employee described in paragraph (b) of subdivision [(18)] **(20)** of
10 section 104.010 shall be entitled to the same insurance benefits provided under
11 sections 103.003 to 103.175, RSMo to employees described in paragraph (a) of
12 subdivision [(18)] **(20)** of section 104.010 to cover the medical expenses of such
13 employees and their spouses and children. Such insurance benefits shall be made
14 available to employees described in paragraph (b) of subdivision [(18)] **(20)** of
15 section 104.010 upon their initial employment as such employees in the same
16 manner provided for employees described in paragraph (a) of subdivision [(18)]
17 **(20)** of section 104.010, and shall be continued during any period of time, not to
18 exceed one year, in which such employees are not paid for full-time employment,
19 so long as such employees pay the same amount for such insurance benefits as
20 is required of employees described in paragraph (a) of subdivision [(18)] **(20)** of
21 section 104.010 who continue receiving such insurance benefits during a leave of
22 absence without pay from their employment with the state. Any employee
23 described in paragraph (b) of subdivision [(18)] **(20)** of section 104.010 who is
24 reemployed by the general assembly or either house thereof, or by any member
25 of the general assembly while acting in his official capacity as a member, by the
26 thirteenth legislative day of the session of the general assembly immediately
27 following the session of the general assembly in which such employee was last so
28 employed, without having elected to discontinue the insurance benefits described
29 in this subsection, shall be entitled to continue such insurance benefits without
30 having to prove insurability for himself or any of his covered dependents for
31 whom he has paid for such coverage continuously since last employed as an
32 employee described in paragraph (b) of subdivision [(18)] **(20)** of section
33 104.010. Any employee described in paragraph (b) of subdivision [(18)] **(20)** of
34 section 104.010 who is not reemployed by the general assembly or either house
35 thereof, or by any member of the general assembly while acting in his official
36 capacity as a member, by the thirteenth legislative day of the session of the

37 general assembly immediately following the session of the general assembly in
38 which such employee was last so employed, shall be deemed terminated as an
39 employee as of such thirteenth legislative day, and the insurance benefits
40 provided for such employee under this subsection and sections 103.003 to 103.175,
41 RSMo, shall be terminated as provided for employees described in paragraph (a)
42 of subdivision [(18)] **(20)** of section 104.010 whose employment is
43 terminated. During each month of service in which an employee described in
44 paragraph (b) of subdivision [(18)] **(20)** of section 104.010 is employed, the state
45 shall make any contribution required by sections 103.003 to 103.175, RSMo, for
46 such employee.

47 **[3.] 2.** Any employee described in paragraph (b) of subdivision [(18)] **(20)**
48 of section 104.010 who is actively employed on or after September 28, 1992, shall
49 be deemed vested for purposes of determining eligibility for benefits under
50 sections 104.320 to 104.620 after being so employed for at least sixty months.

104.354. In each fiscal year in which retirement benefits are to be paid to
2 retired employees described in paragraph (b) of subdivision [(18)] **(20)** of section
3 104.010 because of the provisions of section 104.352, funding for such benefits
4 shall be provided as set forth in section 104.436. All benefits paid because of the
5 provisions of section 104.352 shall be paid by the retirement system along with
6 all other retirement benefits due such retired employees under the retirement
7 system.

104.1003. **1.** Unless a different meaning is plainly required by the
2 context, the following words and phrases as used in sections 104.1003 to 104.1093
3 shall mean:

- 4 (1) "Act", the "Year 2000 Plan" created by sections 104.1003 to 104.1093;
- 5 (2) "Actuary", an actuary who is experienced in retirement plan financing
6 and who is either a member of the American Academy of Actuaries or an enrolled
7 actuary under the Employee Retirement Income Security Act of 1974;
- 8 (3) "Annuity", annual benefit amounts, paid in equal monthly
9 installments, from funds provided for in, or authorized by, sections 104.1003 to
10 104.1093;
- 11 (4) "Annuity starting date" means the first day of the first month with
12 respect to which an amount is paid as an annuity pursuant to sections 104.1003
13 to 104.1093;
- 14 (5) "Beneficiary", any person or entity entitled to receive an annuity or
15 other benefit pursuant to sections 104.1003 to 104.1093 based upon the

16 employment record of another person;

17 (6) "Board of trustees", "board", or "trustees", a governing body or bodies
18 established for the year 2000 plan pursuant to sections 104.1003 to 104.1093;

19 (7) "Closed plan", a benefit plan created pursuant to this chapter and
20 administered by a system prior to July 1, 2000. No person first employed on or
21 after July 1, 2000, shall become a member of the closed plan, but the closed plan
22 shall continue to function for the benefit of persons covered by and remaining in
23 the closed plan and their beneficiaries;

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

28 (9) "Credited service", the total credited service to a member's credit as
29 provided in sections 104.1003 to 104.1093; **except that in no case shall more**
30 **than one day of credited service be credited to any member or vested**
31 **former member for any one calendar day of eligible credit as provided**
32 **by law;**

33 (10) "Department", any department or agency of the executive, legislative,
34 or judicial branch of the state of Missouri receiving state appropriations,
35 including allocated funds from the federal government but not including any body
36 corporate or politic unless its employees are eligible for retirement coverage from
37 a system pursuant to this chapter as otherwise provided by law;

38 (11) "Early retirement eligibility", a member's attainment of fifty-seven
39 years of age and the completion of at least five years of credited service;

40 (12) "Effective date", July 1, 2000;

41 (13) "Employee" shall be any person who is employed by a department and
42 is paid a salary or wage by a department in a position normally requiring the
43 performance of duties of not less than one thousand **forty** hours per year,
44 provided:

45 (a) The term "employee" shall not include any patient or inmate of any
46 state, charitable, penal or correctional institution, or any person who is employed
47 by a department in a position that is covered by a state-sponsored defined benefit
48 retirement plan not created by this chapter;

49 (b) The term "employee" shall be modified as provided by other provisions
50 of sections 104.1003 to 104.1093;

51 (c) The system shall consider a person who is employed in multiple

52 positions simultaneously within a single agency to be working in a single position
53 for purposes of determining whether the person is an employee as defined in this
54 subdivision;

55 (d) Beginning September 1, 2001, the term "year" as used in this
56 subdivision shall mean the twelve-month period beginning on the first day of
57 employment;

58 (e) **The term "employee" shall include any person as defined**
59 **under paragraph (b) of subdivision (20) of subsection 1 of section**
60 **104.010 who is first employed on or after July 1, 2000, but prior to**
61 **August 28, 2007;**

62 (14) "Employer", a department;

63 (15) "Executive director", the executive director employed by a board
64 established pursuant to the provisions of sections 104.1003 to 104.1093;

65 (16) "Final average pay", the average pay of a member for the thirty-six
66 full consecutive months of service before termination of employment when the
67 member's pay was greatest; or if the member was on workers' compensation leave
68 of absence or a medical leave of absence due to an employee illness, the amount
69 of pay the member would have received but for such leave of absence as reported
70 and verified by the employing department; or if the member was employed for
71 less than thirty-six months, the average monthly pay of a member during the
72 period for which the member was employed. **The board of each system may**
73 **promulgate rules for purposes of calculating final average pay and**
74 **other retirement provisions to accommodate for any state payroll**
75 **system in which pay is received on a monthly, semimonthly, biweekly,**
76 **or other basis;**

77 (17) "Fund", a fund of the year 2000 plan established pursuant to sections
78 104.1003 to 104.1093;

79 (18) "Investment return", or "interest", rates as shall be determined and
80 prescribed from time to time by a board;

81 (19) "Member", a person who is included in the membership of the system,
82 as set forth in section 104.1009;

83 (20) "Normal retirement eligibility", a member's attainment of at least
84 sixty-two years of age and the completion of at least five or more years of credited
85 service or, the attainment of at least forty-eight years of age with a total of years
86 of age and years of credited service which is at least eighty or, in the case of a
87 member of the highway patrol who shall be subject to the mandatory retirement

88 provisions of section 104.080, the mandatory retirement age and completion of
89 five years of credited service or, the attainment of at least forty-eight years of age
90 with a total of years of age and years of credited service which is at least eighty;

91 (21) "Pay" shall include:

92 (a) All salary and wages payable to an employee for personal services
93 performed for a department; but excluding:

94 a. Any amounts paid after an employee's employment is terminated,
95 unless the payment is made as a final installment of salary or wages at the same
96 rate as in effect immediately prior to termination of employment in accordance
97 with a state payroll system adopted on or after January 1, 2000;

98 b. Any amounts paid upon termination of employment for unused annual
99 leave or unused sick leave;

100 c. Pay in excess of the limitations set forth in Section 401(a)(17) of the
101 Internal Revenue Code of 1986 as amended and other applicable federal laws or
102 regulations; [and]

103 d. Any nonrecurring single sum payments; **and**

104 e. **Any amounts for which contributions have not been made in**
105 **accordance with section 104.1066;**

106 (b) All salary and wages which would have been payable to an employee
107 on workers' compensation leave of absence during the period the employee is
108 receiving a weekly workers' compensation benefit, as reported and verified by the
109 employing department;

110 (c) All salary and wages which would have been payable to an employee
111 on a medical leave due to employee illness, as reported and verified by the
112 employing department;

113 (d) For purposes of members of the general assembly, pay shall be the
114 annual salary provided to each senator and representative pursuant to section
115 21.140, RSMo, plus any salary adjustment pursuant to section 21.140, RSMo;

116 (22) "Retiree", a person receiving an annuity from the year 2000 plan
117 based upon the person's employment record;

118 (23) "State", the state of Missouri;

119 (24) "System" or "retirement system", the Missouri state employees'
120 retirement system or the [transportation department and highway patrol
121 retirement system] **Missouri department of transportation and highway**
122 **patrol employees' retirement system**, as the case may be;

123 (25) "Vested former member", a person entitled to receive a deferred

124 annuity pursuant to section 104.1036;

125 (26) "Year 2000 plan", the benefit plan created by sections 104.1003 to
126 104.1093.

127 **2. Benefits paid under the provisions of this chapter shall not**
128 **exceed the limitations of Internal Revenue Code Section 415, the**
129 **provisions of which are hereby incorporated by**
130 **reference. Notwithstanding any other law to the contrary, the board of**
131 **trustees may establish a benefit plan under Section 415(m) of the**
132 **Internal Revenue Code of 1986, as amended. Such plan shall be created**
133 **solely for the purposes described in Section 415(m)(3)(A) of the Internal**
134 **Revenue Code of 1986, as amended. The board of trustees may**
135 **promulgate regulations necessary to implement the provisions of this**
136 **subsection and to create and administer such benefit plan.**

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

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

20 3. If a member is employed in a covered position and simultaneously
21 employed in one or more other covered or noncovered positions, credited service
22 shall be determined as if all such employment were in one position, and covered
23 pay shall be the total of pay for all such positions.

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

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

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

59 7. Any member of the Missouri state employees' retirement system shall

60 receive credited service for the creditable prior service that such employee would
61 have been entitled to under the closed plan pursuant to section 104.339,
62 subsections 2, and 6 to 9 of section 104.340, subsection 12 of section 104.342,
63 section 104.344, subsection 4 of section 104.345, subsection 4 of section 104.372,
64 section 178.640, RSMo, and section 211.393, RSMo, provided such service has not
65 been credited under the closed plan.

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

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

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

83 11. A member may not purchase any credited service described in this
84 section unless the member has met the five-year minimum service requirement
85 as provided in subdivisions (11) and (20) of **subsection 1 of** section 104.1003, the
86 **[two] three** full biennial assemblies minimum service requirement as provided
87 in section 104.1084, or the four-year minimum service requirement as provided
88 in section 104.1084.

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

104.1087. 1. If a member has credited service with more than one
2 selected plan at time of separation of covered employment from all selected plans,
3 then the annuity payable from each selected plan shall be based upon the annuity

4 program, pay record and service record with that selected plan; provided,
5 however, that the total of credited service with all selected plans shall be used for
6 the sole purpose of determining whether or not the member has met the credited
7 service requirement contained in subdivisions (11) and (20) of **subsection 1 of**
8 section 104.1003 and subsections 1 and 4 of section 104.1084 for each selected
9 plan.

10 2. The selected plans cited in this section are:

- 11 (1) Year 2000 plan - basic provisions;
12 (2) Year 2000 plan - general assembly provisions;
13 (3) Year 2000 plan - statewide elected official provisions.

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Bill

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