

SECOND REGULAR SESSION

SENATE BILL NO. 625

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KEHOE.

Read 1st time January 9, 2012, and ordered printed.

TERRY L. SPIELER, Secretary.

5110S.011

AN ACT

To repeal section 104.603, RSMo, and to enact in lieu thereof one new section relating to transfers between retirement systems.

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

Section A. Section 104.603, RSMo, is repealed and one new section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

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

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

21 **service from the receiving system to the sending system which was not**
22 **subject to an asset transfer under this section, then that service will be**
23 **excluded from the computation of the accrued benefit. In the event any**
24 **prior payments by a sending system under this section included an**
25 **amount for previously transferred service that was not subject to this**
26 **section, the receiving system shall return to the sending system the**
27 **present value amount attributable to such service, including interest**
28 **as determined and agreed to by both systems.**

29 3. The service transfer shall not be deemed completed until the sending
30 system makes payment to the receiving system as prescribed in this
31 section. Payments shall be made within ninety days of the date that a completed
32 transfer request is submitted by a member.

33 4. When the transfer payment includes an amount identified as
34 corresponding to a member's accumulated contributions, the accumulated
35 contributions portion shall be identified, and further, the accumulated
36 contributions balance as of the preceding July first shall be identified and the
37 receiving system shall be responsible for crediting interest according to the terms
38 of the receiving plan.

39 5. The systems shall coordinate their plan administration for reciprocal
40 transfers to give full effect to the transfer including the transfer and acceptance
41 of corresponding division of benefit orders.

42 6. The member or survivor obtaining a reciprocal transfer of service
43 covered by this section shall satisfy all requirements under section 104.602 or
44 subsection 8 of section 104.1021 to obtain a transfer of credited or creditable
45 service and shall satisfy the requirements under section 104.1091 with the
46 receiving system to reestablish forfeited service previously accrued at either
47 system.

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