FIRST REGULAR SESSION

SENATE BILL NO. 308

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS SCOTT AND RUSSELL.

Read 1st time January 20, 1999, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S1074.03I

AN ACT

To repeal section 104.610, RSMo 1994, relating to certain state retirement systems, and to enact in lieu thereof thirty-three new sections relating to the same subject, with an effective date.

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

Section A. Section 104.610, RSMo 1994, is repealed and thirty-three new sections enacted in lieu thereof, to be known as sections 104.610, 104.1000, 104.1003, 104.1006, 104.1009, 104.1012, 104.1015, 104.1018, 104.1021, 104.1024, 104.1027, 104.1030, 104.1033, 104.1036, 104.1039, 104.1042, 104.1045, 104.1048, 104.1051, 104.1054, 104.1057, 104.1060, 104.1063, 104.1066, 104.1069, 104.1072, 104.1075, 104.1078, 104.1081, 104.1084, 104.1087, 104.1090 and 104.1093, to read as follows:

104.610. 1. Any person, who is receiving or hereafter may receive state retirement benefits from the Missouri state employees' retirement system other than a person with twelve or more years of service in statewide state elective office receiving benefits under the provisions of section 104.371, a legislators' retirement system, or the transportation department employees' and highway patrol retirement system, upon application to the board of trustees of the system from which he or she is receiving retirement benefits, shall be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging, and other state matters, for the remainder of the person's life, and upon request of the board, or other state agencies where such person was employed prior to retirement, give opinions, and be available to give opinions in writing, or orally, in response to such requests, as may be required, and for such services shall be compensated monthly, in an amount, which, when added to any monthly state

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

retirement benefits received on his retirement, shall be equal to the state retirement benefits the person would be receiving currently if he had benefited from changes in the law **[**effecting**]** **affecting** increases in the rate in the formula for calculating benefits in his respective retirement system, for his type of employment or for those persons having accrued thirty-five or more years of creditable service, changes in the law pertaining to the age and service requirements for a normal annuity in his respective retirement system, made subsequent to the date of his retirement; except that in calculating such benefits the meaning of "average compensation" shall be that ascribed to it by the law in effect on the date on which the benefits under this section are calculated.

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

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

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

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

6. In order to determine the total monthly state retirement compensation due each retiree who is eligible for the additional amount provided for in subsection 1 of this section, the following formula shall be used:

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

(2) The amount determined under subdivision (1) of this subsection shall be increased by

an amount equal to the base monthly retirement compensation calculated under subdivision (1) of this subsection multiplied by the percentage increase in the rate in the formula;

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

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

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

104.1000. A benefit plan covering public employees is properly judged by how well it provides for the following:

(1) Retirement at reasonable ages with reasonable benefits during retirement, fair to both the covered employees and the sponsoring citizen taxpayers;

(2) A financing pattern with contribution amounts which, expressed as percents of active employee payroll, will remain approximately level from one generation of citizens to the next generation. Today's decision makers should not establish increasing burdens for future generations;

(3) A record of board proceedings open to public inspection; and

(4) Preparation of a comprehensive annual financial report which contains data and descriptions sufficient for a thorough understanding of plan operations and condition and which is readily available to all interested parties.

This year 2000 plan law intends to help achieve these objectives.

104.1003. 1. Unless a different meaning is plainly required by the context, the following words and phrases as used in sections 104.1000 to 104.1097 shall mean:

(1) "Act", the "Year 2000 Plan" created by sections 104.1000 to 104.1097;

(2) "Actuary", an actuary who is experienced in retirement plan financing and who is either a member of the American Academy of Actuaries or an enrolled actuary

under the Employee Retirement Income Security Act of 1974;

(3) "Annuity", annual benefit amounts, paid in equal monthly installments, from funds provided for in, or authorized by sections 104.1000 to 104.1097;

(4) "Annuity starting date", means the first day of the first month with respect to which an amount is paid as an annuity pursuant to sections 104.1000 to 104.1097;

(5) "Beneficiary", any person or entity entitled to receive an annuity or other benefit pursuant to sections 104.1000 to 104.1097 based upon the employment record of another person;

(6) "Board of trustees", "board", or "trustees", a governing body or bodies established for the year 2000 plan pursuant to sections 104.1000 to 104.1097;

(7) "Closed plan", the benefit plan administered by a system prior to the effective date of the year 2000 plan. No person first employed on or after the effective date of the year 2000 plan shall become a member of the closed plan, but the closed plan shall continue to function for the benefit of persons covered by and remaining in the closed plan and their beneficiaries;

(8) "Consumer price index", the consumer price index for all urban consumers for the United States, or its successor index, as approved by the board, as such index is defined and officially reported by the United States Department of Labor, or its successor agency;

(9) "Credited service", an employee's total service standing to a member's credit as provided in sections 104.1000 to 104.1097;

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

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

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

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

(a) The term "employee" shall not include any patient or inmate of any state, charitable, penal or correctional institution, nor any person who is employed by a department in a position that is covered by a state sponsored defined benefit retirement plan not created by this chapter;

(b) The term "employee" shall be modified as provided by other provisions of sections 104.1000 to 104.1097;

(14) "Employer", a department;

(15) "Executive director", the executive director employed by a board established under the provisions of this chapter;

(16) "Final average pay", the average pay of a member for the thirty-six consecutive months of service before retirement when the member's pay was greatest; or if the member is on workers' compensation leave of absence or a medical leave of absence due to an employee illness, the amount of pay the member would have received but for said leave of absence as reported and verified by the employing department; or if the member had less than thirty-six months of service, the average monthly pay paid to the member during the period for which the member received credited service;

(17) "Fund", a fund of the year 2000 plan established pursuant to sections 104.1000 to 104.1097;

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

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

(20) "Normal retirement eligibility", a member's attainment of sixty-two years of age and the completion of five years of credited service or, the attainment of at least age fifty with a total of years of age and years of credited service which is at least eighty or, in the case of the member of the highway patrol who shall be subject to the mandatory retirement provisions of section 104.080, the mandatory retirement age and completion of five years of credited service or, the attainment of at least age fifty with a total of years of age and years of credited service which is at least eighty;

(21) "Pay" shall include:

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

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

(ii) Any amounts paid upon termination of employment for unused annual leave or unused sick leave; and

(iii) Pay in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986 as amended and other applicable federal laws or regulations;

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

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

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

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

(24) "System" or "retirement system", the Missouri state employees' retirement system or the highway and transportation employees' and highway patrol retirement system, as the case may be;

(25) "Vested former member", a person entitled to receive a deferred annuity pursuant to section 104.1036;

(26) "Year 2000 plan", the benefit plan created by sections 104.1000 to 104.1097.

104.1006. For the purpose of providing retirement income and other benefits to employees of the state, there is hereby created and established a benefit plan which shall be a body corporate and an instrumentality of the state, which shall be under the management of boards of trustees herein described, and which shall be known as the "Year 2000 Plan". In the systems shall be vested the powers and duties specified in sections 104.1000 to 104.1097 and such other powers as may be necessary or proper to enable it, its officers, employees, and agents to carry out fully and effectively all the purposes of sections 104.1000 to 104.1097. The provisions of sections 104.150 to 104.190 and 104.210 to 104.240 shall continue to be applicable to the highway and transportation employees' and highway patrol retirement system under the year 2000 plan. The provisions of sections 104.440 to 104.480 and 104.500 to 104.510 and 104.520 to 104.530 shall continue to be applicable to the Missouri state employees' retirement system under the year 2000 plan. Both systems shall be subject to sections 105.660 to 105.691, RSMo.

104.1009. 1. The membership of the year 2000 plan shall include the following persons:

(1) Each person who first becomes an employee on or after the effective date of the year 2000 plan and continues to be an employee;

(2) Each person covered by the closed plan on the effective date of the year 2000 plan who elects may cease being covered by the closed plan and become covered by the year 2000 plan in accordance with the provisions of section 104.1015.

2. In any case of question as to the membership status of any person, the appropriate board shall decide the question. If a person is not included in membership at time of employment and is later determined to be a member, the board is authorized to collect any contribution shortfall by requesting a special appropriation from the office of administration. Upon receipt of such request, the office of administration shall

immediately pay to the system the amount needed to cover such shortfall.

104.1012. 1. Any new state employee who would have become a member of the closed plan administered by the highway and transportation employees' and highway patrol retirement system except for the creation of the year 2000 plan and persons covered by the closed plan administered by the highway and transportation employees' and highway patrol retirement system who elect year 2000 plan coverage as provided in section 104.1015 shall have their year 2000 plan coverage managed by that board.

2. Any new state employee who would have become a member of the closed plan administered by the Missouri state employees' retirement system except for the creation of the year 2000 plan or persons covered by the closed plan administered by the Missouri state employees' retirement system who elect year 2000 plan coverage as provided in section 104.1015 shall have their year 2000 plan coverage managed by that board.

104.1015. 1. Persons covered by a closed plan on the effective date may elect to cease being covered by the closed plan and become covered by the year 2000 plan if they meet the conditions set forth in this section. On the effective date of such election, any such person shall forfeit all rights to receive future benefits under this chapter except as provided under the year 2000 plan and all creditable service of such person under the closed plan shall be transferred to the year 2000 plan. Any such person who fails to make such election within the time prescribed in this section shall waive all rights to receive benefits under the year 2000 plan. In no event shall any retroactive annuity be paid to such persons pursuant to sections 104.1000 to 104.1097 except as described in subsection 2 of this section.

2. Each retiree receiving an annuity from the closed plan on the effective date shall be furnished by the appropriate system a written comparison of their closed plan coverage and their potential year 2000 plan coverage. A retiree wishing to change to year 2000 plan coverage may do so by making a written election, on a form furnished by the appropriate board, and providing that form to the system by no later than twelve months after the effective date; provided the election to change must be after the retiree has received from the appropriate system such written comparison. The retirement option elected under the year 2000 plan shall be the same as the original retirement option elected unless the original retirement option is not available under the year 2000 plan. The effective date of payment of an annuity under the year 2000 plan as provided in this subsection shall begin on the effective date of said plan. In order to calculate a new monthly annuity for retirees electing coverage under the year 2000 plan pursuant to this subsection, the following calculations shall be made:

(1) The retiree's gross monthly retirement annuity in effect immediately prior to the effective date shall be multiplied by the percentage increase in the life annuity

formula between the closed plan and the year 2000 plan. This amount shall be added to the retirees' gross monthly retirement annuity in effect immediately prior to the effective date to arrive at the retirees' new monthly retirement annuity in the year 2000 plan on the effective date. The age of eligibility and reduction factors applicable to the retiree's original annuity under the closed plan shall remain the same in the annuity payable under the year 2000 plan.

(2) If an optional form of payment was chosen by the retiree and is available under the year 2000 plan, the new monthly retirement annuity calculated pursuant to subdivision (1) of this subsection shall be recalculated using the reduction factors pursuant to section 104.1027. If an optional form of payment was chosen by the retiree and is not available under the year 2000 plan, the new monthly retirement annuity shall be recalculated pursuant to subdivision (1) of this subsection.

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

(4) COLAs paid pursuant to section 104.1045 will commence on the anniversary of the retiree's annuity starting date coincident with or next following the effective date.

3. Each person who is in covered employment and not a retiree of the closed plan on the effective date of the year 2000 plan may elect to change to year 2000 plan coverage on the date the person's retirement application is filed; provided, such election to change must be after the person has received from the year 2000 plan a written comparison of the person's closed plan coverage and the person's potential year 2000 plan coverage and the election must be made in writing on a form furnished by the appropriate board.

4. Each person who is not in covered employment and not a retiree and is eligible for a deferred annuity from the closed plan on the effective date of the year 2000 plan may elect to change to the year 2000 plan coverage on the date the person's retirement application is filed; provided, the election to change must be after the person has received from the year 2000 plan a written comparison of the person's closed plan coverage and the person's potential year 2000 plan coverage and the election must be made in writing on a form furnished by the year 2000 plan.

5. Each person who is not in covered employment and not a retiree and is eligible for a deferred annuity from the closed plan and returns to covered employment on or after the effective date shall be covered under the closed plan; provided, such person may elect to change to the year 2000 plan coverage on the date the person's retirement application is filed and the election to change must be after the person has received from the year 2000 plan a written comparison of the person's closed plan

coverage and the person's potential year 2000 plan coverage and the election must be made in writing on a form furnished by the year 2000 plan.

6. Each person who is not in covered employment and not a retiree and not eligible for a deferred annuity from the closed plan but has forfeited creditable service with the closed plan and returns to covered employment after the effective date shall be changed to year 2000 plan coverage upon such return and receive credited service for all such forfeited creditable service under the closed plan.

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

104.1018. 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 under 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.

2. Upon a member becoming a retiree, membership shall cease and, except as otherwise provided in sections 104.1000 to 104.1097, the person shall not again become a member of the system except as provided by section 104.1039.

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 restored and increased by such reemployment.

104.1021. 1. The appropriate board shall determine how much credited service shall be given each member for the member's covered employment consistent with this section.

2. If a member terminates employment and is eligible to receive an annuity under the year 2000 plan, the member's unused sick leave as certified by the member's employing department for which the member has not been paid will be converted to credited service. The member shall receive one-twelfth of a year of service for each one hundred and sixty-eight hours of such unused sick leave. Such credited service shall not be used in determining the member's eligibility for retirement or final average pay.

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 is employed 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 under this section.

5. A member shall be credited for all military service 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 affected 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 at which 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 under 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 under the provisions of section 104.1030, RSMo.

7. Any member of the Missouri state employees' retirement system employed on or after August 13, 1988, and who served as an employee prior to September 1, 1957, but was not an employee on that date, shall receive credited service for the creditable prior service that such employee would have been entitled to under the closed plan had such

employee become a member of such retirement system on the date of its inception provided such service has not been credited under the closed plan.

8. Any former full-time employee of a state board, whether unassigned or assigned to the governor, who becomes a member of the Missouri state employees' retirement system within one year of termination of employment with such board, shall receive credited service for the creditable prior service, not to exceed eight years, that such employee would have been entitled to under the closed plan, provided the member had not become vested in a city or county retirement system and that such service has not been credited under the closed plan.

9. Any member of the Missouri state employees' retirement system who is an employee on or after June 30, 1988, shall receive credited service for the creditable prior service that such employee would have been entitled to under the closed plan for all full-time service rendered at Lincoln University prior to June 30, 1988, if such service is established to the satisfaction of the board, provided such member elects in writing to forfeit all rights accrued under the Lincoln University retirement plan for such service, and provided such service has not already been credited under the closed plan.

10. Upon application to the board, any member or former member of the Missouri state employees' retirement system not yet retired who was employed by the Missouri Institute of Psychiatry prior to July 1, 1974, and who by virtue of such employment was a member of a retirement system or plan other than the Missouri state employees' retirement system but did not become vested in that system or plan, shall receive credited service for the creditable prior service that such employee would have been entitled to under the closed plan, provided that such service is not used for the calculation of benefits under any other retirement system or plan, excluding social security, that such service is established to the satisfaction of the board, and that such service has not been credited under the closed plan.

11. Any member of the Missouri state employees' retirement system on or after October 1, 1989, shall receive credited service for the creditable prior service that such employee would have been entitled to under the closed plan for service rendered as a circuit clerk, deputy circuit clerk or division clerk, provided such service has not been credited under the closed plan, if:

(1) The service had not become vested in a county or city retirement plan; and

(2) The person establishes proof of such service to the satisfaction of the board.

12. Every member of the Missouri state employees' retirement system who previously was a member of the public school retirement system of Missouri but who withdrew the employee contribution to the public school retirement system, shall

receive credited service for the creditable prior service that such member would have been entitled to under the closed plan for the service covered by the public school retirement system notwithstanding any other provisions of law and provided such service has not been credited under the closed plan. The public school retirement system shall pay to the Missouri state employees' retirement system an amount equal to the contribution paid to the public school retirement system on behalf of the employee by the employee's employer, and the commissioner of administration shall pay an equal amount to the Missouri state employees' retirement system from funds appropriated from the general revenue fund for such purpose. In no event shall any person receive credit for the same period of service under more than one retirement system.

13. Any member of the Missouri state employees' retirement system employed pursuant to sections 178.639 and 211.393, RSMo, shall receive credited service for the creditable prior service that such employee would have been entitled to under the closed plan provided such service has not been credited under the closed plan.

14. 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.

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

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

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

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

4. If as of the annuity starting date of a member who has attained normal retirement eligibility the sum of the member's years of age and years of credited service equals eighty or more years and if the member's age is at least fifty years but less than sixty-two years, then in addition to the life annuity described in subsection 2 of this

section, the member shall receive a temporary annuity equal to eight-tenths of one percent of the member's final average pay multiplied by the member's years of credited service. The temporary annuity and any COLAs attributable to the temporary annuity pursuant to section 104.1045 shall terminate at the end of the calendar month in which the earlier of the following events occurs: the member's death or the member's attainment of the earliest age of eligibility for reduced social security retirement benefits.

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

104.1027. 1. No later than the last business day of the previous month before the annuity starting date, but not thereafter, a member or a vested former member may elect to have such member's or such vested former member's life annuity reduced, but not any temporary annuity which may be payable, and designate a beneficiary, as provided by the options set forth in this section:

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

OPTION 2. A retiree's life annuity shall be reduced to a certain percent of the annuity otherwise payable. Such percent shall be eighty-three percent adjusted as follows: if the retiree's age on the annuity starting date is younger than sixty-two years, an increase of four-tenths of one percent for each year the retiree's age is younger than sixty-two years, to a maximum increase of four and eight-tenths percent;

and if the beneficiary's age is younger than the retiree's age on the annuity starting date, a decrease of five-tenths of one percent for each year of age difference; and if the retiree's age is younger than the beneficiary's age on the annuity starting date, an increase of five-tenths of one percent for each year of age difference; provided, after all adjustments the option 2 percent cannot exceed ninety percent. Upon the retiree's death one hundred percent of the retiree's reduced annuity shall be paid to the retiree's surviving beneficiary, nominated under this option, who was the retiree's spouse for at least one year immediately preceding the annuity starting date.

OPTION 3. A retiree's life annuity shall be reduced to ninety-five percent of the annuity otherwise payable. If the retiree dies before having received one hundred twenty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred twenty month period to the retiree's designated beneficiary provided that if there is no beneficiary surviving the retiree, the present value of the remaining annuity payments shall be paid to the retiree's estate. If the beneficiary survives the retiree but dies before receiving the remainder of such one hundred twenty monthly payments, the present value of the remaining annuity payments shall be paid to the beneficiary's estate.

OPTION 4. A retiree's life annuity shall be reduced to ninety percent of the annuity otherwise payable. If the retiree dies before having received one hundred eighty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred eighty month period to the retiree's designated beneficiary provided that if there is no beneficiary surviving the retiree, the present value of the remaining annuity payments shall be paid to the retiree's estate. If the beneficiary survives the retiree but dies before receiving the remainder of such one hundred eighty monthly payments, the present value of the remaining annuity payments shall be paid to the beneficiary's estate.

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

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

the date of the beneficiary's death.

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

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

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

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

(3) The member's former spouse who was designated as a beneficiary under this section died and the member remarried.

104.1030. 1. If a member with five or more years of credited service or vested former member dies before such member's or such vested former member's annuity starting date, the applicable annuity provided in this section shall be paid.

2. The member's surviving spouse who was married to the member at the date of death shall receive an annuity computed as if such member had:

(1) Retired on the date of death with a normal retirement annuity based upon credited service and final average pay to the date of death, and without reduction if the member's age was younger than normal retirement eligibility;

(2) Elected option 2 provided for in section 104.1027; and

(3) Designated such spouse as beneficiary under such option.

3. If a spouse annuity is not payable under the provisions of subsection 2 of this section, or when a spouse annuity has ceased to be payable, the dependent children of the deceased member shall each receive an equal share of eighty percent of an annuity computed in the same manner as if the member had retired on the date of death with a normal retirement annuity based upon credited service and final average pay to the date of death and without reduction if the member's age at death was younger than normal retirement eligibility. A child shall be a dependent child until death or attainment of age twenty-one, whichever occurs first; provided the age twenty-one maximum shall be extended for any child who has been found totally incapacitated by a court of competent jurisdiction. Upon a child ceasing to be a dependent child, that child's portion of the dependent annuity shall cease to be paid, and there shall be a redetermination of the amounts payable to any remaining dependent children.

4. For the purpose of computing the amount of an annuity payable under this

section, if the board finds that the death was the natural and proximate result of a personal injury or disease arising out of and in the course of his actual performance of duty as an employee, then the minimum annuity to such member's spouse or, if no spouse benefits are payable, the minimum annuity that shall be divided among and paid to such member's dependent children shall be fifty percent of final average pay. The credited service requirement of subsection 1 of this section shall not apply to any annuity payable under this subsection.

104.1033. 1. Any member who has not attained normal retirement eligibility but who has at least five years of credited service may retire with an early retirement annuity on or after attainment of age fifty-seven and by making application in written form and manner approved by the board.

2. The early retirement annuity shall be a certain percent of an annuity provided for in subsection 2 of section 104.1024. The percent shall be one hundred percent reduced by one-half of one percent multiplied by the number of months by which age at early retirement is younger than normal retirement eligibility.

3. Subject to the provisions of subsection 2 of section 104.1027, the early retirement annuity shall be paid for the life of the retiree unless an optional form of payment is elected as provided for in section 104.1027.

104.1036. 1. A member with five or more years of credited service who ceases to be a member, except by reason of death or retirement, shall be a vested former member entitled to a deferred annuity provided for in this section.

2. A vested former member shall be eligible to elect an annuity starting date at any time after attaining age fifty-seven by submitting a written application therefor not earlier than ninety days before attainment of fifty-seven years of age. The vested former member shall have the right to elect an option provided for in section 104.1027, subject to the provisions of subsection 2 of section 104.1027. No deferred annuity shall be paid if the vested former member becomes employed in a position covered by the year 2000 plan and does not terminate employment prior to the annuity starting date.

3. If the deferred annuity commences on or after age sixty-two, the annuity amount shall be calculated in the same manner as the annuity specified in subsection 2 of section 104.1024. If the deferred annuity commences before the vested former member's normal retirement eligibility, the annuity amount shall be calculated in the same manner as the annuity specified in subsection 2 of section 104.1033.

4. If the vested former member dies before the annuity starting date, the surviving spouse and dependent children shall be covered by the provisions of section 104.1030, RSMo.

104.1039. If a retiree is employed as an employee by a department, the retiree shall not receive an annuity payment for any calendar month in which the retiree is so employed. While reemployed the retiree shall be considered to be a new employee with no previous covered employment upon subsequent retirement. Such retiree shall receive an additional annuity in addition to the original annuity, calculated based only on the credited service and the pay earned by such retiree during reemployment and paid in accordance with the annuity option originally elected; provided such retiree who ceases to receive an annuity under this section shall not receive such additional annuity if such retiree is employed by a department in a position that is covered by a state sponsored defined benefit retirement plan not created by this chapter. The original annuity and any additional annuity shall be paid commencing with the end of the first month after the month during which the retiree's reemployment terminates.

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

2. A member described in subsection 1 of this section who continues to be disabled until normal retirement eligibility may elect an annuity starting date upon termination of disability payments and shall receive a normal retirement annuity provided for in section 104.1024; provided, if federal social security disability benefits were paid during the disability period, then no temporary annuity otherwise payable shall be paid.

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

4. Upon termination of disability payments and return to covered employment within thirty days of termination of disability payments, the member shall resume active participation in the plan.

5. Upon termination of disability payments and not returning to covered employment as described in subsection 4 of this section, the member's rights to plan benefits shall be determined as if the member had terminated employment at time of

termination of disability payments.

6. Any member who was disabled under the closed plan prior to the effective date and who returns to covered employment after the effective date shall be covered under the closed plan and shall be eligible to elect coverage under the new plan as provided by subsection 5 of section 104.1015.

104.1045. 1. Each person receiving an annuity shall be entitled to a cost of living adjustment (COLA) when there are increases in the consumer price index. The COLA shall be made annually beginning twelve months after the annuity starting date and shall be equal to eighty percent of the increase in the consumer price index, but not more than five percent of the annuity amount payable immediately before the payment of the COLA.

2. For the purposes of this section, an increase in the consumer price index shall be determined in January of each year, based upon the percentage increase of (a) the consumer price index for the preceding calendar year over (b) the corresponding index for the next earlier calendar year. Any COLA so determined cannot be less than zero and shall be applied in calculating any COLA that becomes payable under this section during the calendar year in which the January falls. Any surviving spouse, beneficiary, or former spouse receiving all or part of an annuity shall be eligible for such COLAs as provided herein.

104.1048. A person receiving an annuity may waive monthly annuity payments or a COLA for periods of time, provided no waiver may be contrary to applicable federal law. A waiver shall be final as to any payment or COLA waived.

104.1051. 1. Any annuity provided pursuant to the year 2000 plan is marital property and a court of competent jurisdiction may divide such annuity between the parties to any action for dissolution of marriage if at the time of the dissolution the member has at least five years of credited service pursuant to sections 104.1000 to 104.1097. A division of benefits order issued pursuant to this section:

(1) Shall not require the applicable retirement system to provide any form or type of annuity not selected by the member;

(2) Shall not require the applicable retirement system to commence payments until the member's annuity starting date;

(3) Shall identify a percentage of the monthly amount to be paid to the former spouse, which shall not exceed fifty percent of the amount of the member's annuity accrued during the period of the marriage of the member and former spouse, calculated as if the date of dissolution of marriage were the annuity starting date, which amount shall be adjusted proportionately upon the actual annuity starting date if the member's annuity is reduced due to the receipt of an early retirement annuity;

(4) Shall not require the payment of an annuity amount to the member and

former spouse which in total exceeds the amount which the member would have received without regard to the order;

(5) Shall provide that any annuity increases, temporary annuity received under subsection 4 of section 104.1027, additional years of credited service, increased final average pay or other type of increases accrued after the date of the dissolution of marriage shall accrue solely to the benefit of the member, except that any COLA due after the annuity starting date shall be applied to the amounts received by both the member and the former spouse after the date of dissolution;

(6) Shall terminate upon the death of either the member or the former spouse, whichever occurs first;

(7) Shall not create an interest which is assignable or subject to any legal process;

(8) Shall include the name, address, date of birth, and social security number of both the member and the former spouse, and the identity of the retirement system to which it applies;

(9) Shall be consistent with any other division of benefits orders which are applicable to the same member.

2. A system shall provide the court having jurisdiction of a dissolution of a marriage proceeding or the parties to the proceeding with information necessary to issue a division of benefits order concerning a member of the system, upon written request from either the court, the member, or the member's spouse, citing this section and identifying the case number and parties.

3. A system shall have the discretionary authority to reject a division of benefits order for the following reasons:

(1) The order does not clearly state the rights of the member and the former spouse;

(2) The order is inconsistent with any law governing the retirement system.

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 contract of 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. 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. 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 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 under the year 2000 plan shall be determined based upon the law in effect on the last date of termination of employment.

104.1057. The year 2000 plan is a qualified plan under the provisions of applicable federal law. The benefits and conditions of the year 2000 plan shall always be adjusted to ensure that the tax-exempt status is maintained.

104.1060. 1. Should any error result in any person receiving more or less than the person would have been entitled to receive had the error not occurred, the board shall correct such error, and, as far as practicable, make future payments in such a manner that the actuarial equivalent of the annuity to which such person was entitled shall be paid, and to this end may recover any overpayments. In all cases in which an error has been made, no such error shall be corrected unless the system discovers or is notified of such error within ten years after the date of error.

2. A person who knowingly makes a false statement, or falsifies or permits to be falsified a record of the system, in an attempt to defraud the system shall be subject to fine or imprisonment under the Missouri revised statutes.

3. A board shall not pay an annuity to any survivor or beneficiary who is charged with the intentional killing of a member, retiree or survivor without legal excuse or justification. A survivor or beneficiary who is convicted of such charge shall no longer be entitled to receive an annuity. If the survivor or beneficiary is not convicted of such charge, the board shall resume annuity payments and shall pay the survivor or beneficiary any annuity payments that were suspended pending resolution of such charge.

104.1063. Each system is authorized to promulgate rules to properly administer the system and government of its own proceedings and to hold hearings as required by law. The term "agency" and the term "state agency" as defined by section 536.010, RSMo, shall not include a system under this chapter with regard to the promulgation of rules or hearings required by law provided such system has established written procedures to assure that constitutionally required due process safeguards exist and apply to the promulgation of a rule or regulation that would otherwise constitute a "rule" as defined in section 536.010, RSMo, and to a proceeding that would otherwise constitute a "contested case" as defined in section 536.010, RSMo. Each system may delegate a hearing officer to hear all matters wherein a hearing is required by law.

104.1066. 1. The year 2000 plan intends to follow a financing pattern which computes and requires contribution amounts which, expressed as percents of active member payroll, will remain approximately level from year to year and from one generation of citizens to the next generation. Such contribution determinations require regular actuarial valuations, which shall be made by the board's actuary, using assumptions and methods adopted by the board after consulting with its actuary. The entry age-normal cost valuation method shall be used in determining normal cost, and contributions for unfunded accrued liabilities shall be determined using level percent-of-payroll amortization.

2. At least ninety days before each regular session of the general assembly, the board of the Missouri state employees' retirement system shall certify to the division of budget the contribution rate necessary to cover the liabilities of the year 2000 plan administered by such system, including costs of administration, expected to accrue during the next appropriation period. The commissioner of administration shall request appropriations based upon the contribution rate so certified. From appropriations so made, the commissioner of administration shall certify contribution amounts to the state treasurer who in turn shall immediately pay the monthly contributions to the year 2000 plan.

3. The employers of members covered by the Missouri state employees' retirement system who are not paid out of funds that have been deposited in the state treasury shall remit monthly to the year 2000 plan an amount equal to the amount which the state would have paid if those members had been paid entirely from state funds. Such employers shall maintain payroll records for a minimum of five years and shall produce all such records as requested by the system. The system is authorized to request from the state office of administration an appropriation out of the annual budget of any such employer in the event such records indicate that such employer has not contributed the amounts required by this section. The office of administration shall make such appropriation which shall be equal to the amount necessary to replace any shortfall in contributions as determined by the system. From appropriations so made, the commissioner of administration shall certify contribution amounts to the state treasurer who in turn shall immediately pay such contributions to the year 2000

plan.

4. At least ninety days before each regular session of the general assembly, the board of the highway and transportation and highway patrol retirement system shall certify to the department of transportation and the department of public safety the contribution rate necessary to cover the liabilities of the year 2000 plan administered by such system, including costs of administration, expected to accrue during the next biennial or other appropriation period. Such departments shall include in their budget and in their request for appropriations for personal service, the sum so certified to it by such board, and shall present the same to the general assembly for allowance. The sums so certified and appropriated, when available, shall be immediately paid to the system and deposited in the highway and transportation employees' and highway patrol retirement and benefit fund.

5. These amounts are funds of the year 2000 plan, and shall not be commingled with any funds in the state treasury.

104.1069. 1. All assets of the year 2000 plan shall be dedicated to and held in trust for the persons covered by the year 2000 plan and for the purposes herein set out and no other. Each board shall have full power, in the name and on behalf of the year 2000 plan, to manage the assets of the year 2000 plan as described in sections 104.150 and 104.440.

2. The board shall invest the funds of the system as permitted by sections 105.687 to 105.690, RSMo. Trustees of a board may delegate to employees of the system or to an agent, functions that a prudent trustee acting in a like capacity and familiar with those matters could properly delegate.

3. Each board may deliberate about, or make tentative or final decisions on, investments or other financial matters in executive session if disclosure of the deliberations or decisions would jeopardize the ability to implement a decision or to achieve investment objectives. A record of each system that discloses deliberations about, or a tentative or final decision on, investments or other financial matters is not a public record under chapter 610, RSMo, to the extent and so long as its disclosure would jeopardize the ability to implement a decision or to achieve investment objectives.

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

(1) Employees shall be provided fifteen thousand dollars of life insurance. Coverage shall be effective on the first day of the calendar month coinciding with or next following the employee's date of membership;

(2) Upon a member terminating employment and immediately becoming a retiree five thousand dollars of life insurance shall be provided.

2. (1) In addition to the life insurance authorized by the provisions of subsection 1 of this section, any person for whom life insurance is provided or contracted for pursuant to such subsection may purchase, at the person's own expense and only if monthly voluntary payroll deductions are authorized, additional life insurance at a cost to be stipulated in a contract with a private insurance company or as may be required by a system if the board of trustees determines that the system should provide such insurance itself. The maximum amount of additional life insurance which may be so purchased is that amount which equals six times the amount of the person's annual rate of pay, subject to any maximum established by a board, except that if such maximum amount is not evenly divisible by one thousand dollars, then the maximum amount of additional insurance which may be purchased is the next higher amount evenly divisible by one thousand dollars.

(2) Any person defined in subdivision (1) of this subsection, may retain an amount not to exceed sixty thousand dollars of life insurance following the date of his or her retirement if such person 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.

3. The state highway and transportation commission may provide for insurance benefits to cover medical expenses for members of the state highway and transportation employees' and highway patrol retirement system. The state highway and transportation commission may provide medical benefits for dependents of members and for retired members. Contributions by the state highway 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, RSMo. 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 highway and transportation commission may contract for all, or any part of, the insurance benefits provided for in this section. If the state highway

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.

104.1075. Each board shall provide or contract, or both, for disability income benefits for employees under this chapter, 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.

104.1078. 1. Separate accounts for medical, life insurance and disability benefits provided under sections 104.1072 and 104.1075 shall be established as part of the fund. The funds, property and return on investments of the separate accounts shall not be commingled with any other funds, property and investment return of a system. All benefits and premiums are paid solely from the separate accounts for medical, life insurance and disability benefits provided in this section.

2. The state shall contribute an amount as appropriated by law and approved by the governor per month per employee for medical benefits, life insurance, and long term disability benefits for each active employee who is a member of a system and members not on payroll status who are receiving workers' compensation benefits.

3. Each board shall determine the premium amounts required for participating persons. 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 children under twenty-three years of age and for spouses 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 a 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, each board may establish alternative methods for the collection of premium amounts.

104.1081. 1. Each board shall establish and implement programs as provided in the year 2000 plan. Each board shall establish rules of eligibility for participation in the programs, and shall avoid duplication of benefits provided to employees, their spouses and children under any other program of benefits provided through, or as a result of, employment with a department, any other employer, or any plan established by the federal government. No member shall receive benefits until such program shall become operative and until any premium amounts required by each board have been paid. To the extent any benefits provided under this program are insured, the selection of any insurance company or service organization shall be on the basis of competitive bidding.

2. The provisions of section 104.1072 shall not apply to members who are employed by any department which has in effect a program of life insurance which is wholly or partially paid by the employing department.

104.1084. 1. For members of the general assembly, the provisions of this section shall supplement or replace the indicated other provisions of the year 2000 plan. "Normal retirement eligibility" means attainment of age sixty-two and the completion of four years of credited service as a member of the general assembly, or the attainment of at least age fifty with a total of years of age and years of such credited service which is at least eighty.

2. For the purposes of section 104.1024, the normal retirement annuity of a member of the general assembly shall be an amount for life equal to one twenty-fourth of the monthly pay for a member of the general assembly on the annuity starting date multiplied by the years of credited service as a member of the general assembly not to exceed sixteen years.

3. For the purposes of section 104.1033, "early retirement eligibility" means attainment of age fifty-seven and the completion of four years of credited service as a member of the general assembly.

4. To be covered by the provisions of section 104.1030, or section 104.1036, a member of the general assembly must have at least four years of credited service as a member of the general assembly.

5. For members who are statewide elected officials, the provisions of this section shall supplement or replace the indicated other provisions of the year 2000 plan. "Normal retirement eligibility" means attainment of age sixty-two and the completion of four years of credited service, or the attainment of age fifty with a total of years of age and years of such credited service which is at least eighty.

6. For the purposes of section 104.1024, the normal retirement annuity of a member who is a statewide elected official shall be an amount for life equal to one twenty-fourth of the monthly pay in the highest office held by such member on the annuity starting date multiplied by the years of credited service for special service not to exceed sixteen years.

7. For the purposes of section 104.1033, "early retirement eligibility" for a member who is a statewide elected official means attainment of age fifty-seven years

and the completion of four years of credited service.

8. To be covered by the provisions of sections 104.1030 and 104.1036, a member who is a statewide elected official must have at least four years of credited service.

9. The provisions of section 104.1045 shall not apply to persons covered by the general assembly and statewide elected official provisions of this section. Persons covered by the general assembly provisions and receiving a year 2000 plan annuity shall be entitled to a cost of living adjustment (COLA) when there are increases in pay for members of the general assembly. Persons covered by the statewide elected official provisions and receiving a year 2000 plan annuity shall be entitled to COLAs when there are increases in the pay for statewide elected officials in the highest office held by such person. Payment of COLAs shall be made annually beginning twelve months after the beginning of annuity payments and shall be equal to the percent increase in such pay from the time of the last COLA, or from time of beginning of annuity payments if there have been no previous COLAs. No COLA shall be less than zero.

104.1087. 1. If a member has credited service with more than one selected plan at time of separation of covered employment from all selected plans, then the annuity payable from each selected plan shall be based upon the annuity program, pay record and service record with that selected plan; provided, in determining eligibility for an annuity from one selected plan the credited service to be used shall be the total of credited service with all selected plans.

2. The selected plans cited in this section are:

(1) year 2000 plan - basic provisions;

(2) year 2000 plan - general assembly provisions;

(3) year 2000 plan - statewide elected official provisions.

104.1090. Any member with ten or more years of credited service in the year 2000 plan for covered employment shall receive additional credited service for previous county or city service within the state if all of the following conditions are met: any such previous service that had been credited under a defined benefit retirement system shall be forfeited and an amount equal to the actuarial accrued liability for the forfeited creditable service, determined as if the person were going to continue to be an active member, shall be transferred to the year 2000 plan; no credited service can be given for service which remains credited in another defined benefit retirement system; and the member applies for the additional credit in manner and form established by the appropriate board.

104.1093. Notwithstanding any provision of law to the contrary, any employee, beneficiary, or retiree under this chapter may designate an agent who shall have the same authority as an agent under a durable power of attorney under sections 404.700 to 404.735, RSMo, with regard to the application for and receipt of an annuity or any

other benefits. The authority of such agent may be revoked at any time by such employee or retiree. The authority of such agent shall not terminate if such employee or retiree becomes disabled or incapacitated.

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