

SECOND REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE SUBSTITUTE FOR  
**HOUSE BILL NO. 1455**  
**91ST GENERAL ASSEMBLY**

3641S.09T

2002

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**AN ACT**

To repeal sections 50.1020, 50.1040, 86.200, 86.213, 86.251, 86.255, 86.256, 87.207, 87.235, 104.050, 104.095, 104.110, 104.140, 104.250, 104.254, 104.270, 104.335, 104.344, 104.350, 104.374, 104.380, 104.400, 104.436, 104.438, 104.515, 104.540, 104.601, 104.620, 104.625, 104.800, 104.1015, 104.1018, 104.1021, 104.1024, 104.1039, 104.1054, 104.1066, 104.1072, 104.1075, 104.1084, 104.1093, 104.1200, 104.1210, 104.1215, 217.665 and 476.517, RSMo, and to enact in lieu thereof fifty-three new sections relating to public retirement systems, with an emergency clause.

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

Section A. Sections 50.1020, 50.1040, 86.200, 86.213, 86.251, 86.255, 86.256, 87.207, 87.235, 104.050, 104.095, 104.110, 104.140, 104.250, 104.254, 104.270, 104.335, 104.344, 104.350, 104.374, 104.380, 104.400, 104.436, 104.438, 104.515, 104.540, 104.601, 104.620, 104.625, 104.800, 104.1015, 104.1018, 104.1021, 104.1024, 104.1039, 104.1054, 104.1066, 104.1072, 104.1075, 104.1084, 104.1093, 104.1200, 104.1210, 104.1215, 217.665 and 476.517, RSMo, are repealed and fifty-three new sections enacted in lieu thereof, to be known as sections 50.1020, 50.1040, 86.200, 86.213, 86.251, 86.255, 86.256, 86.294, 86.296, 87.177, 87.207, 87.231, 87.235, 87.238, 104.050, 104.110, 104.140, 104.250, 104.254, 104.270, 104.335, 104.344, 104.350, 104.374, 104.380, 104.400, 104.436, 104.438, 104.515, 104.540, 104.601, 104.605, 104.620, 104.625, 104.800, 104.1015, 104.1018, 104.1021, 104.1024, 104.1039, 104.1054, 104.1055, 104.1066, 104.1072, 104.1075, 104.1084, 104.1093, 104.1200, 104.1210, 104.1215, 105.664, 217.665 and 476.517, to read as follows:

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

50.1020. 1. The board may accept gifts, donations, grants and bequests from private or public sources to the county employees' retirement system fund.

2. No state moneys shall be used to fund sections 50.1000 to 50.1300.

3. In all counties, except counties of the first classification having a charter form of government and any city not within a county, the penalties provided in sections 137.280 and 137.345, RSMo, shall be deposited in the county employees' retirement fund. Any interest derived from the collection and investment of any part of the penalties shall also be credited to the county employees' retirement fund. All penalties and interest shall be transmitted to the board monthly by the county treasurer. The county assessor shall maintain a written or electronic log reflecting number of assessment notices sent, number of personal property lists that were not returned by the deadline established by law, number of penalties waived and the reason for waiving such penalty.

4. Other provisions of law to the contrary notwithstanding, pending final settlement of taxes collected by the county collector, the county collector shall deposit all money collected in interest-bearing deposits within twenty-four hours after the close of business each day collections are received, except on Fridays of each week or on days prior to a state or national holiday, in a financial institution and all interest or other gain on such deposits shall be paid to the county treasurer and shall be credited to the political subdivision for which the funds were collected.

5. Each county clerk, except in counties of the first classification having a charter form of government and any city not within a county, shall make the payroll deductions mandated pursuant to subsection 2 or 3 of section 50.1040, and the county treasurer shall transmit these moneys monthly to the board for deposit into the county employees' retirement fund.

**6. Each county, except counties of the first classification with a charter form of government and any city not within a county, shall deposit in the county employees' retirement fund each payroll period ending after December 31, 2002, an amount equal to four percent of the compensation paid in such payroll period to each employee hired or rehired by that county on or after February 25, 2002. Such deposit shall be paid out of the county funds or, at the county's election, in whole or in part through payroll deduction as described in subsection 2 of section 50.1040. All amounts due pursuant to this subsection shall be transmitted by the county treasurer to the county employees' retirement fund immediately following the payroll period for which such amounts are due. Each county clerk shall maintain a written or electronic log reflecting the employees hired or rehired by such county on or after February 25, 2002, the amount of each such employee's compensation, and the dollar amount due each payroll period by the county pursuant to this subsection with respect to each such employee, and shall provide such log to the county employees' retirement fund immediately following the payroll period for which such**

37 **amounts are due.**

50.1040. 1. On and after January 1, 2000, as an incident to employment or continued  
2 employment, each person who has not previously opted out of the retirement system who is  
3 employed as a county employee as defined in section 50.1000 and who is hired and fired by the  
4 county and whose work and responsibilities are directed and controlled by the county and who  
5 is compensated directly from county funds shall become a member of the system. Such  
6 membership shall continue as long as the person continues to be an employee, or receives  
7 benefits pursuant to the provisions of sections 50.1000 to 50.1300.

8 2. A member who is not a member of LAGERS shall be subject to a payroll deduction  
9 equal to two percent of the member's compensation. [This] **In addition, in order to meet the**  
10 **deposit required by subsection 6 of section 50.1020, a county may, in its discretion, subject**  
11 **any member, including a member of LAGERS, hired or rehired by that county on or after**  
12 **February 25, 2002, to an additional payroll deduction not to exceed four percent of the**  
13 **member's compensation. Such additional payroll deduction shall be used exclusively for**  
14 **the deposit in the county employees' retirement fund pursuant to subsection 6 of section**  
15 **50.1020. Any payroll deduction pursuant to this subsection** shall constitute the member's  
16 required contribution to the plan and [after January 1, 2000,] shall be designated as an employer  
17 "pick-up" contribution, as described in 26 U.S.C. 414(h)(2). A member may not waive this  
18 contribution, or terminate this contribution requirement by opting out of the retirement system.

19 3. A county employee who is a member on January 1, 2000, and a county employee who  
20 is hired after January 1, 2000, shall not be permitted to opt out of the retirement system; except  
21 that, before January 1, 2000, a county employee did have the right to opt out of the retirement  
22 system. County employees who exercised this opt-out option must wait three years from the date  
23 the opt-out decision was made before becoming a member. After this three-year period has  
24 elapsed, the employee shall have a three-month period to opt into the system. If the employee  
25 opts into the system, such employee shall be subject to a payroll deduction of two percent, or one  
26 percent if the employee is also a member of the LAGERS, of the compensation received from  
27 the date the county employee opted out of the system, plus interest equal to the current prime rate  
28 plus two percent, to purchase all or part of this period of employment as creditable service. The  
29 payroll deduction shall be made in equal monthly installments for a time agreed to by the  
30 employee and the board, but in no event longer than four years.

31 4. An employee may opt into the retirement system, after having opted out, without  
32 purchasing any portion of his or her earlier service as creditable service. In such event, the  
33 deduction described in subsection 3 of this section shall not be imposed, and the employee shall  
34 become vested in the system after eight years of subsequent uninterrupted service.

35 5. Notwithstanding any other provisions of this section to the contrary, an employee who

36 opted out of the retirement system before January 1, 2000, shall not be permitted to opt back into  
37 the system after January 1, 2000, unless the employee opts in, in accordance with the procedures  
38 of subsection 3 or 4 of this section, immediately following the expiration of the three-year  
39 opt-out period that includes January 1, 2000.

86.200. The following words and phrases as used in sections 86.200 to 86.366, unless a  
2 different meaning is plainly required by the context, shall have the following meanings:

3 (1) "Accumulated contributions", the sum of all mandatory contributions deducted from  
4 the compensation of a member and credited to the member's individual account, together with  
5 members' interest thereon;

6 (2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of  
7 mortality tables and interest assumptions adopted by the board of trustees;

8 (3) "Average final compensation":  
9

(a) With respect to a member who earns no creditable service on or after October 1, 2001,  
10 the average earnable compensation of the member during the member's last three years of  
11 creditable service as a police officer, or if the member has had less than three years of creditable  
12 service, the average earnable compensation of the member's entire period of creditable service;

13 (b) With respect to a member who is not participating in the DROP pursuant to section  
14 86.251 on October 1, 2001, who did not participate in the DROP at any time before such date,  
15 and who earns any creditable service on or after October 1, 2001, the average earnable  
16 compensation of the member during the member's last two years of creditable service as a  
17 policeman, or if the member has had less than two years of creditable service, then the average  
18 earnable compensation of the member's entire period of creditable service;

19 (c) With respect to a member who is participating in the DROP pursuant to section  
20 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns  
21 to active participation in the system pursuant to section 86.251, and who terminates employment  
22 as a police officer for reasons other than death or disability before earning at least two years of  
23 creditable service after such return, the portion of the member's benefit attributable to creditable  
24 service earned before DROP entry shall be determined using average final compensation as  
25 defined in paragraph (a) of this subdivision; and the portion of the member's benefit attributable  
26 to creditable service earned after return to active participation in the system shall be determined  
27 using average final compensation as defined in paragraph (b) of this subdivision;

28 (d) With respect to a member who is participating in the DROP pursuant to section  
29 86.251 on October 1, 2001, or whose participation in the DROP ended before such date, who  
30 returns to active participation in the system pursuant to section 86.251, and who terminates  
31 employment as a police officer after earning at least two years of creditable service after such  
32 return, the member's benefit attributable to all of such member's creditable service shall be

33 determined using the member's average final compensation as defined in paragraph (b) of this  
34 subdivision;

35 (e) With respect to a member who is participating in the DROP pursuant to section  
36 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns  
37 to active participation in the system pursuant to section 86.251, and whose employment as a  
38 police officer terminates due to death or disability after such return, the member's benefit  
39 attributable to all of such member's creditable service shall be determined using the member's  
40 average final compensation as defined in paragraph (b) of this subdivision; and

41 (f) [If a member who is described in paragraph (c) or (e) of this subdivision completes  
42 less than one full year of creditable service after returning to active participation in the system,  
43 the member's earnable compensation for the period immediately prior to DROP entry shall be  
44 added to the member's earnable compensation after the member's return to active participation  
45 for purposes of determining such member's average final compensation for his or her last year  
46 of creditable service] **With respect to the surviving spouse or surviving dependent child of**  
47 **a member who earns any creditable service on or after October 1, 2001, the average**  
48 **earnable compensation of the member during the member's last two years of creditable**  
49 **service as a police officer or, if the member has had less than two years of creditable**  
50 **service, the average earnable compensation of the member's entire period of creditable**  
51 **service;**

52 (4) "Beneficiary", any person in receipt of a retirement allowance or other benefit;

53 (5) "Board of police commissioners", any board of police commissioners, police  
54 commissioners and any other officials or boards now or hereafter authorized by law to employ  
55 and manage a permanent police force in such cities;

56 (6) "Board of trustees", the board provided in sections 86.200 to 86.366 to administer the  
57 retirement system;

58 (7) "Creditable service", prior service plus membership service as provided in sections  
59 86.200 to 86.366;

60 (8) "DROP", the deferred retirement option plan provided for in section 86.251;

61 (9) "Earnable compensation", the annual salary which a member would earn during one  
62 year on the basis of the member's rank or position as specified in the applicable salary matrix in  
63 section 84.160, RSMo, plus additional compensation for academic work as provided in  
64 subsection 9 of section 84.160, RSMo, plus shift differential as provided in subdivision (4) of  
65 subsection 10 of section 84.160, RSMo. Such amount shall [be determined without regard to]  
66 **include** the member's deferrals to a deferred compensation plan pursuant to Section 457 of the  
67 Internal Revenue Code or to a cafeteria plan pursuant to Section 125 of the Internal Revenue  
68 Code **or, effective October 1, 2001, to a transportation fringe benefit program pursuant to**

69 **Section 132(f)(4) of the Internal Revenue Code.** Earnable compensation shall not include a  
70 member's additional compensation for overtime, standby time, court time, nonuniform time or  
71 unused vacation time. Notwithstanding the foregoing, the earnable compensation taken into  
72 account under the plan established pursuant to sections 86.200 to 86.366 with respect to a  
73 member who is a noneligible participant, as defined in this subdivision, for any plan year  
74 beginning on or after October 1, 1996, shall not exceed the amount of compensation that may  
75 be taken into account under Section 401(a)(17) of the Internal Revenue Code, as adjusted for  
76 increases in the cost of living, for such plan year. For purposes of this subdivision, a "noneligible  
77 participant" is an individual who first becomes a member on or after the first day of the first plan  
78 year beginning after the earlier of:

79 (a) The last day of the plan year that includes August 28, 1995; or

80 (b) December 31, 1995;

81 (10) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as amended;

82 (11) "Mandatory contributions", the contributions required to be deducted from the salary  
83 of each member who is not participating in DROP in accordance with section 86.320;

84 (12) "Medical board", the board of physicians provided for in section 86.237;

85 (13) "Member", a member of the retirement system as defined by sections 86.200 to  
86 86.366;

87 (14) "Members' interest", interest on accumulated contributions at such rate as may be  
88 set from time to time by the board of trustees;

89 (15) "Membership service", service as a policeman rendered since last becoming a  
90 member, except in the case of a member who has served in the armed forces of the United States  
91 and has subsequently been reinstated as a policeman, in which case "membership service" means  
92 service as a policeman rendered since last becoming a member prior to entering such armed  
93 service;

94 (16) "Plan year" or "limitation year", the twelve consecutive-month period beginning  
95 each October first and ending each September thirtieth;

96 (17) "Policeman" or "police officer", any member of the police force of such cities who  
97 holds a rank in such police force for which the annual salary is listed in section 84.160, RSMo;

98 (18) "Prior service", all service as a policeman rendered prior to the date the system  
99 becomes operative or prior to membership service which is creditable in accordance with the  
100 provisions of sections 86.200 to 86.366;

101 (19) "Retirement allowance", annual payments for life as provided by sections 86.200  
102 to 86.366 which shall be payable in equal monthly installments or any benefits in lieu thereof  
103 granted to a member upon termination of employment as a police officer and actual retirement;

104 (20) "Retirement system", the police retirement system of the cities as defined in sections

105 86.200 to 86.366;

106 (21) "Surviving spouse", the surviving spouse of a member who was the member's  
107 spouse at the time of the member's death.

86.213. 1. The general administration and the responsibility for the proper operation of  
2 the retirement system and for making effective the provisions of sections 86.200 to 86.366 are  
3 hereby vested in a board of trustees of ten persons. The board shall be constituted as follows:

4 (1) The president of the board of police commissioners of the city, ex officio. If the  
5 president is absent from any meeting of the board of trustees for any cause whatsoever, the  
6 president may be represented by any member of the board of police commissioners who in such  
7 case shall have full power to act as a member of the board of trustees;

8 (2) The comptroller of the city, ex officio. If the comptroller is absent from any meeting  
9 of the board of trustees for any cause whatsoever, the comptroller may be represented by either  
10 the deputy comptroller or the first assistant comptroller who in such case shall have full power  
11 to act as a member of the said board of trustees;

12 (3) Three members to be appointed by the mayor of the city to serve for a term of two  
13 years;

14 (4) Three members to be elected by the members of the retirement system of the city for  
15 a term of three years; provided, however, that the term of office of the first three members so  
16 elected shall begin immediately upon their election and one such member's term shall expire one  
17 year from the date the retirement system becomes operative, another such member's term shall  
18 expire two years from the date the retirement system becomes operative and the other such  
19 member's term shall expire three years from the date the retirement system becomes operative;  
20 provided, further, that such members shall be members of the system and hold office only while  
21 members of the system;

22 (5) Two members who shall be retired members of the retirement system to be elected  
23 by the retired members of the retirement system for a term of three years; except that, the term  
24 of office of the first two members so elected shall begin immediately upon their election and one  
25 such member's term shall expire two years from the date of election and the other such member's  
26 term shall expire three years from the date of election.

27 2. Any member elected chairman of the board of trustees may serve [a total of four years  
28 in that capacity which shall be limited to no more than two consecutive terms] **without term**  
29 **limitations.**

30 3. Each commissioned elected trustee shall be granted travel time by the St. Louis  
31 metropolitan police department to attend any and all functions that have been authorized by the  
32 board of trustees of the police retirement system of St. Louis. Travel time, **with compensation,**  
33 for a trustee shall not exceed thirty days in any board fiscal year.

86.251. 1. The board of trustees may develop and establish a deferred retirement option plan (DROP) in which members who are eligible for retirement but who have not terminated employment as police officers and who have not actually retired may participate. The DROP shall be designed to allow members with at least twenty years of creditable service or who have attained the age of fifty-five who have achieved eligibility for retirement and are entitled to a service retirement allowance and other benefits to postpone actual retirement, continue active employment and accumulate a deferred receipt of the service retirement allowance. No one shall participate in the DROP for a period exceeding five years.

2. Any member who has at least twenty years of creditable service or has attained the age of fifty-five may elect in writing before retirement to participate in the DROP. A member electing to participate in the DROP shall postpone actual retirement, shall continue in active employment and shall not receive any direct retirement allowance payments or benefits during the period of participation.

3. Upon the start of the participation in the DROP, the member shall cease to make any mandatory contributions to the system. No contribution shall be required by the city into the DROP account. During the period of participation in the DROP, the amount that the member would have received as a service retirement allowance if the member had actually retired instead of entering DROP shall be deposited monthly in the member's DROP account which shall be established in the member's name by the board of trustees. The member's service retirement allowance shall not be adjusted for any cost-of-living increases for any period prior to the member's termination of employment as a police officer and actual retirement. Cost-of-living increases, if any, for any period following the member's termination of employment as a police officer and actual retirement shall be applied only to monthly service retirement payments made following termination of employment as a police officer and actual retirement. Service earned during the period of participation in the DROP shall not be creditable service and shall not be counted in determination of any service retirement allowance or surviving spouse's or dependents' benefits. Compensation paid during the period of participation in the DROP shall not be earnable compensation and shall not be counted in the determination of any service retirement allowance or surviving spouse's or dependent's benefits. The member's service retirement allowance shall be frozen as of the date the member enters DROP. Except as specifically provided in sections 86.200 to 86.366, the member's frozen service retirement allowance shall not increase while the member is participating in DROP or after the member's participation in DROP ends, and the member shall not share in any benefit improvement that is enacted or that becomes effective while such member is participating in the DROP.

4. A member shall cease participation in the DROP upon the termination of the member's employment as a police officer and actual retirement, or at the end of the five-year period

37 commencing on the first day of the member's participation in the DROP, or as of the effective  
38 date, but in no event prior to October 1, 2001, of the member's election to return to active  
39 participation in the system, whichever occurs first. A member's election to return to active  
40 participation in the system before the end of the five-year period commencing on the first day  
41 of participation in the DROP shall be made and shall become effective in accordance with  
42 procedures established by the board of trustees, but in no event prior to October 1, 2001. Upon  
43 the member's termination of employment as a police officer and actual retirement, the member  
44 shall elect to receive the value of the member's DROP account, in one of the following forms of  
45 payment:

- 46 (a) A lump sum payment; or
- 47 (b) Equal monthly installments over a ten-year period.

48

49 Either form of payment should begin within thirty days after the member's notice to the board  
50 of trustees that the member has selected a particular option.

51 5. If a member who is participating in the DROP elects to return to active participation  
52 in the system or if a member who is participating in the DROP does not terminate employment  
53 as a police officer in the city for which the retirement system was established pursuant to sections  
54 86.200 to 86.366 and actually retires at the end of the five-year period commencing on the first  
55 day of the member's participation in the DROP, the member shall return to active participation  
56 in the system and shall resume making mandatory contributions to the system effective as of the  
57 day after participation in the DROP ends or, if later, October 1, 2001. The board of trustees shall  
58 notify the police commissioners to begin deducting mandatory contributions from the member's  
59 salary and the member's employment period shall count as creditable service beginning as of the  
60 day the member returns to active participation.

61 6. In no event shall a member whose participation in DROP has ended for any reason be  
62 eligible to participate in DROP again.

63 7. Upon the member's termination of employment as a police officer and actual  
64 retirement, the member's mandatory contributions to the retirement system shall be paid to the  
65 member pursuant to subsection 4 of section 86.253.

66 8. If a member dies prior to termination of employment as a police officer and actual  
67 retirement while participating in the DROP or before the member has received full withdrawal  
68 of the amount in the member's DROP account under the installment optional payment form, the  
69 remaining balance of the member's DROP account shall be payable to the member's surviving  
70 spouse; or, if the member is then unmarried, to the member's dependent children in equal shares;  
71 or, if none, to the member's dependent mother or father; or, if none, to the member's designated  
72 beneficiary or, if no such beneficiary is then living, to the member's estate. Payment shall be

73 made **in a lump sum** within sixty days after [the retirement system is notified of the member's  
74 death] **receipt by the board of trustees of evidence and proof of the death of a member**. In  
75 addition, the member's mandatory contributions, if any, that were not already paid to the member  
76 pursuant to subsection 4 of section 86.253 shall be paid to the member's surviving spouse  
77 pursuant to section 86.288.

78 9. If a member has elected to participate in the DROP and during such participation  
79 period applies for and receives benefits for an accidental disability retirement allowance pursuant  
80 to the provisions of section 86.263, the member shall forfeit all rights, claims or interest in the  
81 member's DROP account and the member's benefits shall be calculated as if the member has  
82 continued in employment and had not elected to participate in the DROP. Any portion of a  
83 DROP account that has been forfeited as provided in this subsection shall be a general asset of  
84 the system.

85 10. A member's DROP account shall earn interest equal to the rate of return earned by  
86 the system's investment portfolio on a market value basis, including realized and unrealized gains  
87 and losses, net of investment expense, as certified by the system's actuary. As of the [first] **last**  
88 day of each **plan year**[,] beginning [with the second fiscal year of] **after DROP** participation  
89 **begins**, the member's DROP account balance, determined as of the [first] **last** day of [such] **the**  
90 **prior plan** year, shall be credited with interest at the investment rate earned by the assets of the  
91 retirement system for [the] **such prior plan** year. If distribution of the member's DROP account  
92 balance is [completed during the year] **made in a lump sum under subsection 4 or 8 of this**  
93 **section**, interest **for the plan year of distribution** shall be credited[, based] on the [beginning]  
94 **ending** balance for the **prior plan** year **at the investment rate earned on the assets of the**  
95 **retirement system for the prior plan year**, in proportion to the part of the **plan** year preceding  
96 the date of [final distribution. No interest shall be credited on amounts, if any, added to the  
97 member's DROP account during the year in which the distribution of the account is completed]  
98 **the member's termination of employment or death, whichever is earlier**. If the member's  
99 DROP account is paid in equal monthly installments pursuant to subsection [5] **4** of this section,  
100 [any] **interest during the installment period shall be credited as of the last day of each plan**  
101 **year ending after installment payment begins on the account balance as of the first or last**  
102 **day of the plan year, whichever is lower, at the investment rate earned by the assets of the**  
103 **system for the prior plan year. Interest for the year in which the final installment is paid**  
104 **shall be credited on the balance remaining after the final installment is paid, at the**  
105 **investment rate earned on the assets of the system for the prior plan year, in proportion**  
106 **to the part of the plan year preceding payment of the final installment. Any** interest credited  
107 to the DROP account during the installment period shall be paid as soon as reasonably possible  
108 after the final monthly installment. **No interest shall be credited on amounts, if any, added**

109 **to the member's DROP account during the year in which the distribution of the account**  
110 **is completed.**

111 11. The board of trustees shall not incur any liability individually or on behalf of other  
112 individuals for any act or omission, made in good faith in relation to the DROP or assets credited  
113 to DROP accounts established by this section. The provisions of the Internal Revenue Code and  
114 regulations promulgated thereunder shall supersede any provision of this section if there is any  
115 inconsistency with the Internal Revenue Code or regulation.

116 12. Upon the receipt by the board of trustees of evidence and proof that the death of a  
117 member resulted from an event occurring while the member was in the actual performance of  
118 duty, and if the member is participating in the DROP, the member's surviving spouse or, if the  
119 member is then unmarried, the member's unmarried dependent children, may elect within thirty  
120 days after the member's death to have the amount in the member's DROP account paid in the  
121 form of a monthly survivor annuity. Payment of the survivor annuity shall begin within sixty  
122 days after the election is received. Payment to the member's surviving spouse shall continue until  
123 the surviving spouse's death; payment to the member's unmarried dependent children shall be  
124 made while any child qualifies as an unmarried dependent child pursuant to section 86.280. The  
125 survivor annuity shall be the actuarial equivalent of the member's DROP account as of the date  
126 [payment begins] **of the member's death**. In no event shall the total amount paid pursuant to this  
127 subsection be less than the member's DROP account balance as of the date [payment begins] **of**  
128 **the member's death**.

86.255. 1. Notwithstanding any other provision of the plan established in sections 86.200  
2 to 86.366, if an eligible rollover distribution becomes payable to a distributee, the distributee  
3 may elect, at the time and in the manner prescribed by the board of trustees, to have any of the  
4 eligible rollover distribution paid directly to an eligible retirement plan specified by the  
5 distributee in a direct rollover.

6 2. For purposes of this section, the following terms mean:

7 (1) "Direct rollover", a payment by the board of trustees from the fund to the eligible  
8 retirement plan specified by the distributee;

9 (2) "Distributee", a member, a surviving spouse or a spouse;

10 (3) "Eligible retirement plan", an individual retirement account described in Section  
11 408(a) of the Internal Revenue Code, an individual retirement annuity described in Section  
12 408(b) of the Internal Revenue Code, or a qualified trust described in Section 401(a) of the  
13 Internal Revenue Code that accepts the distributee's eligible rollover distribution **or, effective**  
14 **for eligible rollover distributions made on or after January 1, 2002, an annuity contract**  
15 **described in Section 403(b) of the Internal Revenue Code or an eligible plan under Section**  
16 **457(b) of the Internal Revenue Code which is maintained by a state, political subdivision**

17 of a state, or any agency or instrumentality of a state or political subdivision of a state and  
18 which agrees to separately account for amounts transferred into such plan from this plan,  
19 and shall include, for eligible rollover distributions made on or after January 1, 2002, a  
20 distribution to a surviving spouse or to a spouse or former spouse who is the alternate  
21 payee under a qualified domestic relations order, as defined in Section 414(p) of the  
22 Internal Revenue Code;

23 (4) "Eligible rollover distribution", any distribution of all or any portion of a member's  
24 benefit, other than:

25 (a) A distribution that is one of a series of substantially equal periodic payments, made  
26 not less frequently than annually, for the life or life expectancy of the distributee or for the joint  
27 lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or  
28 for a specified period of ten years or more;

29 (b) The portion of a distribution that is required under Section 401(a)(9) of the Internal  
30 Revenue Code; or

31 (c) [The] **Effective for distributions made on or after January 1, 2002**, a portion of  
32 [any] a distribution [that is not includable in] **shall not fail to be an eligible rollover**  
33 **distribution merely because the portion consists of after-tax employee contributions which**  
34 **are not includable in gross income. However, such portion may be transferred only to an**  
35 **individual retirement account or annuity described in Section 408(a) or (b) of the Internal**  
36 **Revenue Code, or to a qualified defined contribution plan described in Section 401(a) or**  
37 **403(a) of the Internal Revenue Code that agrees to separately account for amounts so**  
38 **transferred, including to separately account for the portion of such distribution which is**  
39 **includable in gross income and the portion that is not so includable.**

40 3. The board of trustees shall, at least thirty days, but not more than ninety days, before  
41 making an eligible rollover distribution, provide a written explanation to the distributee in  
42 accordance with the requirements of Section 402(f) of the Internal Revenue Code.

43 4. If the eligible rollover distribution is not subject to Sections 401(a) and 417 of the  
44 Internal Revenue Code, such eligible rollover distribution may be made less than thirty days after  
45 the distributee has received the notice described in subsection 3 of this section, provided that:

46 (1) The board of trustees clearly informs the distributee of the distributee's right to  
47 consider whether to elect a direct rollover, and if applicable, a particular distribution option, for  
48 at least thirty days after the distributee receives the notice; and

49 (2) The distributee, after receiving the notice, affirmatively elects a distribution.

86.256. 1. In no event shall a member's annual benefit paid under the plan established  
2 pursuant to sections 86.200 to 86.366 exceed the amount specified in Section 415(b)(1)(A) of  
3 the Internal Revenue Code, as adjusted for any applicable increases in the cost of living, as in

4 effect on the last day of the plan year, including any increases after the member's termination of  
5 employment.

6       **2. Effective for limitation years beginning after December 31, 2001**, in no event shall  
7 the annual additions to the plan established pursuant to sections 86.200 to 86.366, on behalf of  
8 the member, including the member's own mandatory contributions, exceed the lesser of:

9       (1) [Twenty-five] **One hundred** percent of the member's compensation, as defined for  
10 purposes of Section 415(c)(3) of the Internal Revenue Code, **for the limitation year**; or

11       (2) [Thirty] **Forty** thousand dollars, as adjusted for increases in the cost of living **under**  
12 **Section 415(d) of the Internal Revenue Code**.

13       3. Effective for limitation years beginning prior to January 1, 2000, in no event shall the  
14 combined plan limitation of Section 415(e) of the Internal Revenue Code be exceeded; provided  
15 that, if necessary to avoid exceeding such limitation, the member's annual benefit under the plan  
16 established pursuant to sections 86.200 to 86.366 shall be reduced to the extent necessary to  
17 satisfy such limitations.

18       4. For purposes of this section, Section 415 of the Internal Revenue Code, including the  
19 special rules under Section 415(b) applicable to governmental plans and qualified participants  
20 [in] **employed by a police [and] or fire department [plans]**, is incorporated in this section by  
21 reference.

**86.294. 1. Notwithstanding any other provision of the plan established in sections**  
2 **86.200 to 86.366, and subject to the provisions of subsections 2, 3, and 4 of this section,**  
3 **effective January 1, 2002, the plan shall accept a member's rollover contribution or direct**  
4 **rollover of an eligible rollover distribution made on or after January 1, 2002, from a**  
5 **qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code, or an**  
6 **annuity contract described in Section 403(b) of the Internal Revenue Code, or an eligible**  
7 **plan under Section 457(b) of the Internal Revenue Code which is maintained by a state,**  
8 **political subdivision of a state, or any agency or instrumentality of a state or political**  
9 **subdivision of a state. The plan will also accept a member's rollover contribution of the**  
10 **portion of a distribution from an individual retirement account or annuity described in**  
11 **Section 408(a) or (b) of the Internal Revenue Code that is eligible to be rolled over and**  
12 **would otherwise be includable in gross income.**

13       **2. The amount of such rollover contribution or direct rollover of an eligible rollover**  
14 **distribution shall not exceed the amount required to repay the member's accumulated**  
15 **contributions plus the applicable members' interest thereon from the date of withdrawal**  
16 **to the date of repayment in order to receive credit for such prior service in accordance with**  
17 **section 86.210, to the extent that Section 415 of the Internal Revenue Code does not apply**  
18 **to such repayment by reason of subsection (k)(3) thereof, or to purchase permissive service**

19 credit, as defined in Section 415(n)(3)(A) of the Internal Revenue Code, for the member  
20 under the plan in accordance with the provisions of section 105.691, RSMo.

21 3. Acceptance of any rollover contribution or direct rollover of eligible rollover  
22 distribution under this section shall be subject to the approval of the board of trustees and  
23 shall be made in accordance with procedures established by the board of trustees.

24 4. In no event shall the plan accept any rollover contribution or direct rollover  
25 distribution to the extent that such contribution or distribution consists of after-tax  
26 employee contributions which are not includable in gross income.

86.296. 1. Notwithstanding any other provision of the plan established in sections  
2 86.200 to 86.366, and subject to the provisions of subsections 2 and 3 of this section,  
3 effective January 1, 2002, the plan shall accept a direct trustee-to-trustee transfer on behalf  
4 of a member from an annuity contract described in Section 403(b) of the Internal Revenue  
5 Code or an eligible plan under Section 457(b) of the Internal Revenue Code which is  
6 maintained by a state, political subdivision of a state, or any agency or instrumentality of  
7 a state or political subdivision.

8 2. A trustee-to-trustee transfer may be accepted by the plan only if the transfer is  
9 used to repay the member's accumulated contributions plus the applicable members'  
10 interest thereon from the date of withdrawal to the date of repayment in order to receive  
11 credit for such prior service in accordance with section 86.210, to the extent that Section  
12 415 of the Internal Revenue Code does not apply to such repayment by reason of  
13 subsection (k)(3) thereof, or to purchase permissive service credit, as defined in Section  
14 415(n)(3)(A) of the Internal Revenue Code, for the member under the plan in accordance  
15 with the provisions of section 105.691, RSMo.

16 3. Acceptance of any trustee-to-trustee transfer under this section shall be subject  
17 to the approval of the board of trustees and shall be made in accordance with procedures  
18 established by the board of trustees.

87.177. 1. Any firefighter who terminates employment with five or more years of  
2 service but less than twenty years may apply at age sixty-two for a service retirement  
3 allowance. Upon written application to the board of trustees the benefit payable shall be  
4 equal to two percent times years of service times the average final compensation, and the  
5 member shall also be repaid the total amount of the member's contribution, without  
6 interest.

7 2. The benefits provided in subsection 1 of this section shall be in lieu of any  
8 benefits payable pursuant to the provisions of section 87.240.

9 3. Any survivor of a firefighter retiring pursuant to the provisions of subsection 1  
10 of this section shall be entitled to fifty percent of the retirement allowance of the retired

11 **member at his or her date of death.**

12 **4. Any surviving spouse of a firefighter who had five or more years of service but**  
13 **less than twenty years and who dies prior to application for retirement benefits payable**  
14 **pursuant to this section shall be entitled to fifty percent of the retirement allowance of the**  
15 **member at his or her date of death payable at the date the member would have reached age**  
16 **sixty-two, or to the immediate refund of the member's contribution plus interest. If no**  
17 **surviving spouse exists, a benefit shall be payable pursuant to subdivisions (2) and (3) of**  
18 **subsection 1 of section 87.220, or by the immediate refund of the member's contribution**  
19 **plus interest.**

20 **5. Any firefighter retiring pursuant to the provisions of this section shall be entitled**  
21 **to receive a cost-of-living allowance of five percent per year for a maximum of five years.**

87.207. The following allowances due under the provisions of sections 87.120 to  
2 [87.370] **87.371** of any member who retired from service shall be increased annually, as  
3 approved by the board of trustees beginning with the first increase in the October following his  
4 **or her** retirement and subsequent increases in each October thereafter, at the rates designated:

5 (1) With a retirement service allowance or ordinary disability allowance:

6 (a) One and one-half percent per year, compounded each year, up to age sixty for those  
7 retiring with twenty to twenty-four years of service,

8 (b) Two and one-fourth percent per year, compounded each year, up to age sixty for  
9 those retiring with twenty-five to twenty-nine years of service,

10 (c) Three percent per year, compounded each year, up to age sixty for those retiring with  
11 thirty or more years of service,

12 (d) After age sixty, five percent per year for five years or until a total maximum increase  
13 of twenty-five percent is reached;

14 (2) With an accidental disability allowance, three percent per year, compounded each  
15 year, up to age sixty, then five percent per year for five years [or until a total maximum increase  
16 of twenty-five percent is reached].

17 [Each increase, however, is subject to a determination by the board of trustees that the consumer  
18 price index (United States Average Index) as published by the United States Department of  
19 Labor shows an increase of not less than the approved rate during the latest twelve-month period  
20 for which the index is available at date of determination. If the increase is in excess of the  
21 approved rate for any year, the excess shall be accumulated as to any retired member and  
22 increases may be granted in subsequent years subject to the maximum allowed for each full year  
23 from October following his retirement but not to exceed a total increase of twenty-five percent.  
24 If the board of trustees determines that the index has decreased for any year, the benefits of any  
25 retired member that have been increased shall be decreased but not below his initial benefit. No

26 annual increase shall be made of less than one percent and no decrease of less than three percent  
27 except that any decrease shall be limited by the initial benefit.]

2 **87.231. 1. In lieu of any benefits payable pursuant to section 87.230, any surviving**  
3 **spouse who is receiving retirement benefits, upon application to the board of trustees of the**  
4 **retirement system, shall be made, constituted, appointed and employed by the board as a**  
5 **special consultant on the problems of retirement, aging, and other state matters, for the**  
6 **remainder of his or her life, and upon request of the board, give opinions, and be available**  
7 **to give opinions in writing, or orally, in response to such request, as may be required, and**  
8 **for such services shall be compensated monthly, in an amount, which, when added to any**  
9 **monthly retirement benefits being received, shall not exceed fifty percent of the deceased**  
10 **member's average final compensation or five hundred twenty-five dollars, whichever is**  
11 **greater.**

12 **2. This compensation shall be consolidated with any other retirement benefits**  
13 **payable to such surviving spouse, and shall be paid in the manner and from the same fund**  
14 **as his or her other retirement benefits under this chapter, and shall be treated in all aspects**  
15 **under the laws of this state as retirement benefits paid pursuant to this chapter.**

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

19 **87.235. 1. Effective May 1, 2002,** upon the receipt of evidence and proof that the death  
20 of a member was the result of an accident or exposure at any time or place, provided that at such  
21 time or place the member was in the actual performance of the member's duty and, in the case  
22 of an exposure, while in response to an emergency call, or was acting pursuant to orders, there  
23 shall be paid in lieu of all other benefits the following benefits:

24 (1) A retirement allowance to the widow during the person's widowhood of [fifty]  
25 **seventy percent of the [deceased member's average final compensation] pay then provided by**  
26 **law for the highest step in the range of salary for the next title or next rank above the**  
27 **member's range or title held at the time of the member's death,** plus ten percent of such  
28 compensation to or for the benefit of each unmarried dependent child of the deceased member,  
29 who is either under the age of eighteen, or who is totally and permanently mentally or physically  
30 disabled and incapacitated, regardless of age, but not in excess of a total of three children,  
31 including both classes, and paid as the board of trustees in its discretion directs;

32 (2) If no widow benefits are payable pursuant to subdivision (1), such total allowance as  
33 would have been paid had there been a widow shall be divided among the unmarried dependent  
34 children under the age of eighteen and such unmarried children, regardless of age, who are totally  
35 and permanently mentally or physically disabled and incapacitated, and paid to or for the benefit

18 of such children as the board of trustees in its discretion shall direct;

19 (3) If there is no widow, or child under the age of eighteen years, or child, regardless of  
20 age, who is totally and permanently mentally or physically disabled and incapacitated, then an  
21 amount equal to the widow's benefit shall be paid to the member's dependent father or dependent  
22 mother, as the board of trustees shall direct, to continue until remarriage or death;

23 (4) Any benefit payable to, or for the benefit of, a child or children under the age of  
24 eighteen years pursuant to subdivisions (1) and (2) of this section shall be paid beyond the age  
25 of eighteen years through the age of twenty-five years in such cases where the child is a full-time  
26 student at a regularly accredited college, business school, nursing school, school for technical  
27 or vocational training or university, but such benefit shall cease whenever the child ceases to be  
28 a student. A college or university shall be deemed to be regularly accredited which maintains  
29 membership in good standing in a national or regional accrediting agency recognized by any state  
30 college or university.

31 2. No benefits pursuant to this section shall be paid to a child over eighteen years of age  
32 who is totally and permanently mentally or physically disabled and incapacitated, if such child  
33 is a patient or ward in a public-supported institution.

34 3. Wherever any dependent child designated by the board of trustees to receive benefits  
35 pursuant to this section is in the care of the widow of the deceased member, the child's benefits  
36 may be paid to the widow for the child.

**87.238. 1. In lieu of any benefit payable pursuant to section 87.237, any person who  
2 served as a firefighter and who is retired and receiving a retirement allowance of less than  
3 six hundred twenty-five dollars may act as a special advisor to the retirement system.**

4 **2. For the additional service as a special advisor, each retired person shall receive,  
5 in addition to the retirement allowance provided pursuant to this chapter, an additional  
6 amount, which amount, together with the retirement allowance he or she is receiving  
7 pursuant to other provisions of this chapter, shall equal, but not exceed, six hundred  
8 twenty-five dollars. Any retirement allowance paid to a retiree pursuant to this subsection  
9 shall be withdrawn from the firefighters' retirement and relief system fund and no moneys  
10 shall be withdrawn from the general revenue fund of any city not within a county.**

104.050. 1. Years of service and twelfths of a year are to be used in calculating any  
2 annuity. Absences **taken by an employee without compensation** for sickness or injury of **the**  
3 **employee of** less than twelve months may be counted as continuous service. Absences for more  
4 than twelve months' continuous duration cancel all prior service credits unless the board of  
5 trustees grants special leave to the employee affected prior to the termination of a twelve-month  
6 absence. This subsection shall not apply to injury sustained while in the line of duty.

7 2. Any member who withdraws from service before he is entitled to deferred benefits

8 under section 104.035 forfeits, waives, and relinquishes all accrued rights in the fund, including  
9 all accrued creditable service.

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

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

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

16 3. Any disability benefits payable pursuant to this section shall be decreased by any  
17 amount paid to such member for periodic disability benefits by reason of the workers'  
18 compensation laws of this state. After termination of payment under workers' compensation,  
19 however, disability benefits shall be paid in the amount required by subsections 1, 2, [8 and 10]  
20 **7, and 9** of this section.

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

27 5. Any employee who applies for disability benefits pursuant to subsections 2 and [8]  
28 **7** of this section shall provide proof of application for Social Security disability benefits. If  
29 Social Security disability benefits are denied, the employee shall also provide proof that the  
30 employee has requested reconsideration, and upon denial of the reconsideration, that an appeal  
31 process is prosecuted.

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

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

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

54           [9.] **8.** Definitions of disability and other rules and procedures necessary for  
55 administration of the disability benefits provided pursuant to this section shall be established by  
56 the board.

57           [10.] **9.** Any member receiving disability benefits pursuant to subsections 1 and 2 of this  
58 section shall receive the same cost-of-living increases as granted to retired members pursuant to  
59 section 104.130.

60           [11.] **10.** The state highways and transportation commission shall contribute the same  
61 amount as provided for all state employees for any person receiving disability benefits pursuant  
62 to subsection 2 of this section for medical insurance provided pursuant to section 104.270.

63           [12.] **11.** Any member who qualified for disability benefits pursuant to subsection 2 or  
64 subsection [8] 7 of this section shall continue to accrue normal annuity benefits based on the  
65 member's rate of pay immediately prior to the date the member became disabled in accordance  
66 with sections 104.090 and 104.615 as in effect on the earlier of the date the member reaches  
67 normal retirement age or the date normal annuity payments commence.

68 [13.] **12.** A member who continues to be disabled as provided in subsection 2 or  
69 subsection [8] 7 of this section shall continue to accrue creditable service until the member  
70 reaches normal retirement age. The maximum benefits period for benefits pursuant to  
71 subsections 2 and [8] 7 of this section shall be established by the board. A member who is  
72 eligible to retire and does retire while receiving disability benefits pursuant to subsections 2 and  
73 [8] 7 of this section shall receive the greater of the normal annuity or the minimum annuity  
74 determined pursuant to sections 104.090 and 104.615, as if the member had continued in the  
75 active employ of the employer until the member's normal retirement age and the member's  
76 compensation for such period had been the member's rate of pay immediately preceding the date  
77 the member became disabled.

78 [14.] **13.** Any member who was receiving disability benefits from the board prior to  
79 August 28, 1997, or any member who has submitted an application for disability benefits before  
80 August 28, 1997, and would have been eligible to receive benefits pursuant to the eligibility  
81 requirements which were applicable at the time of application shall be eligible to receive or shall  
82 continue to receive benefits in accordance with such prior eligibility requirements until the  
83 member again becomes an employee.

84 [15.] **14.** Any member receiving disability benefits pursuant to **subsection 1**, subsection  
85 2 or subsection [8] 7 of this section shall be eligible to receive death benefits pursuant to the  
86 provisions of [section 104.095 or] subsection [2] 1 of section 104.140. The death benefits  
87 provided pursuant to this subsection shall be in lieu of the death benefits available to the member  
88 pursuant to subsection [1] 2 of section 104.140.

89 **15. The board is authorized to contract for the benefits provided pursuant to**  
90 **subsections 1 and 2 of this section.**

104.140. 1. **(1)** If a member who has five or more years of creditable service dies before  
2 retirement, [his] **the member's** surviving spouse, [if named as his beneficiary and married to the  
3 deceased member on the date of the member's death, or his surviving unemancipated children  
4 under the age of twenty-one, if named as beneficiary or beneficiaries, shall receive a total  
5 monthly payment equal to fifty percent of the deceased member's accrued monthly benefit  
6 calculated as if the member were of normal retirement age as of his date of death. If the  
7 surviving spouse dies leaving any unemancipated children under the age of twenty-one years, the  
8 payment shall continue until the children become emancipated or reach twenty-one years of age]  
9 **to whom the member was married on the date of the member's death, if any, shall receive**  
10 **the reduced survivorship benefits provided in option 1 of subsection 3 of section 104.090**  
11 **calculated as if the member were of normal retirement age and had retired as of the date**  
12 **of the member's death and had elected option 1;**

13 **(2) If there is no eligible surviving spouse, or when a spouse's annuity has ceased**

14 to be payable, the member's eligible surviving children under twenty-one years of age shall  
15 receive monthly, in equal shares, an amount equal to eighty percent of the member's  
16 accrued annuity calculated as if the member were of normal retirement age and retired as  
17 of the date of death. Benefits otherwise payable to a child under eighteen years of age shall  
18 be payable to the surviving parent as natural guardian of such child if such parent has  
19 custody or assumes custody of such minor child, or to the legal guardian of such child, until  
20 such child attains age eighteen, and thereafter, the benefit may be paid to the child until  
21 age twenty-one; provided, the age twenty-one maximum shall be extended for any child  
22 who has been found totally incapacitated by a court of competent jurisdiction;

23 (3) No benefit is payable pursuant to this section if no eligible surviving spouse or  
24 children under twenty-one years of age survive the member. Benefits cease pursuant to  
25 this section when there is no eligible surviving beneficiary through either death of the  
26 eligible surviving spouse or through either death or the attainment of twenty-one years of  
27 age by the eligible surviving children. If the member's surviving children are receiving  
28 equal shares of the benefit described in subdivision (2) of this subsection, and one or more  
29 of such children become ineligible by reason of death or the attainment of twenty-one years  
30 of age, the benefit shall be reallocated so that the remaining eligible children receive equal  
31 shares of the total benefit as described in subdivision (2) of this subsection.

32 2. Effective January 1, 1985, if an employee who has three or more, but less than [ten]  
33 five years of creditable service dies before retirement, the surviving spouse of the deceased  
34 employee, if [named as beneficiary and] married to the deceased employee on the date of the  
35 employee's death, or the deceased employee's surviving [unemancipated] eligible children under  
36 the age of twenty-one, [if named as beneficiary or beneficiaries,] shall receive a total monthly  
37 payment equal to twenty-five percent of the deceased employee's accrued monthly benefit  
38 calculated as if the employee were of normal retirement age as of the date of death. [Such  
39 benefit shall be increased by five-twelfths of one percent for each month of service in excess of  
40 five years.] If the surviving spouse dies leaving any [unemancipated] eligible children under the  
41 age of twenty-one years, the payment shall continue until the children [become emancipated or]  
42 reach twenty-one years of age. If there is no surviving spouse eligible for benefits under this  
43 subsection, but there are any [unemancipated] children of the deceased employee eligible for  
44 payments, the payments shall continue until the children [become emancipated or] reach  
45 twenty-one years of age. Any benefits payable to [unemancipated] eligible children under  
46 twenty-one years of age shall be made on a pro rata basis among the surviving [unemancipated]  
47 children under twenty-one years of age.

48 3. For the purpose of computing the amount of a benefit payable pursuant to this section,  
49 if the board finds that the death was a natural and proximate result of a personal injury or disease

50 arising out of and in the course of the member's actual performance of duty as an employee, then  
51 the minimum benefit to such member's surviving spouse or, if no surviving spouse benefits are  
52 payable, the minimum benefit that shall be divided among and paid to such member's surviving  
53 [unemancipated] **eligible** children under the age of twenty-one shall be fifty percent of the  
54 member's final average compensation. The service requirements of subsections 1 and 2 of this  
55 section shall not apply to any benefit payable pursuant to this subsection.

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

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

104.254. 1. Any spouse of a deceased member of the patrol who retired prior to October  
2 1, 1984, shall, upon application, be made, constituted, appointed, and employed by the board as  
3 a special consultant on the problems of retirement, aging, and other matters relating to spouses  
4 of deceased members of the patrol, and upon the request of the board, shall give opinions and  
5 be available to give opinions, in writing or orally, in response to such requests of the board. As  
6 compensation for the services required by this section, spouses of deceased members of the  
7 patrol shall be compensated monthly in an amount based on the monthly amount which the  
8 member would have been receiving had the selection of options been made on the date of the  
9 spouse's application to be made a consultant under the provisions of this section and the member  
10 had elected the option of his choice pursuant to the provisions of subsection 3 of section 104.090,  
11 or an amount which, when added to any survivorship benefits received initially upon the death  
12 of the member of the patrol, shall be equal to two hundred dollars per month or fifty percent or  
13 the percentage so selected by the member at retirement of the monthly benefit amount which the  
14 member was receiving immediately prior to his death, whichever amount is greater, plus an  
15 annual monthly increase in an amount computed by multiplying the spouse's current monthly  
16 benefit amount by eighty percent of the increase in the consumer price index calculated in the  
17 manner specified in section 104.415. The annual increase provided by this subsection shall not  
18 exceed five percent nor be less than four percent, and the total increase in compensation granted

19 as annual increases in accordance with this subsection shall not exceed [fifty] **sixty-five** percent  
20 of the total compensation granted each spouse by this section on August 13, 1986.

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

104.270. The state highways and transportation commission may provide for [insurance]  
2 benefits to cover medical expenses and death for members of the [state] **closed and year 2000**  
3 **plans of the highways and** transportation [department] employees' and highway patrol  
4 retirement system. Any plan may provide medical benefits for dependents of members and for  
5 [retired members] **retirees of the closed and year 2000 plans and for persons entitled to**  
6 **deferred annuities in the closed and year 2000 plans and their dependents.** Death benefits  
7 shall be comparable to those provided for in section 104.517. Contributions by the state  
8 highways and transportation commission to provide the [insurance] benefits shall be on the same  
9 basis as provided for other state employees under the provisions of section 104.515. Except as  
10 otherwise provided by law, the cost of benefits for dependents of members and for [retired  
11 members] **retirees** and their dependents shall be paid by the members **or retirees.** The [state  
12 highways and transportation] commission may contract **with other persons or entities**  
13 **including but not limited to third-party administrators, health network providers, and**  
14 **health maintenance organizations** for all, or any part of, the [insurance] benefits provided for  
15 in this section. [If the state highways and transportation commission contracts for insurance  
16 benefits, or for administration of the insurance plan, such contracts shall be entered into on the  
17 basis of competitive bids.] **The commission may require reimbursement of any medical**  
18 **claims paid by the commission's medical plan for which there was third-party liability.**

104.335. 1. Any member whose employment terminated prior to September 1, 1972, and  
2 (a) who had served at least three full biennial assemblies as a member of the general assembly,  
3 or (b) who was other than a member of the general assembly and who had fifteen or more years  
4 of vesting service shall be entitled to a deferred normal annuity based on the member's creditable  
5 service, average compensation and the law in effect at the time the member's employment was  
6 terminated.

7 2. (1) Any member whose employment terminated on or after September 1, 1972, and  
8 prior to July 1, 1981, and (a) who had served at least three full biennial assemblies as a member  
9 of the general assembly, or (b) who was other than a member of the general assembly and who  
10 had fifteen or more years of vesting service or who had ten or more years of vesting service and  
11 was at least thirty-five years of age at the date of termination of employment shall be entitled to  
12 a deferred normal annuity based on the member's creditable service, average compensation and  
13 the law in effect at the time the member's employment was terminated.

14           (2) Any member whose employment terminated on or after July 1, 1981, and (a) who had  
15 served at least three full biennial assemblies as a member of the general assembly, or (b) who  
16 was other than a member of the general assembly and who had ten or more years of vesting  
17 service at the date of termination of employment shall be entitled to a deferred normal annuity  
18 based on the member's creditable service, average compensation and the law in effect at the time  
19 the member's employment was terminated.

20           (3) Any member whose employment terminated on or after September 1, 1972, and who  
21 had four or more years of vesting service as governor, lieutenant governor, secretary of state,  
22 auditor, treasurer, or attorney general of this state shall be entitled to a deferred normal annuity  
23 based on the member's creditable service, average compensation and the law in effect at the time  
24 the member's employment was terminated.

25           (4) Any member whose employment terminated on or after September 28, 1985, and  
26 who (a) had served less than three full biennial assemblies as a member of the general assembly,  
27 and (b) has less than ten years of vesting service as an employee other than a member of the  
28 general assembly shall be entitled to two years of vesting service for each full biennial assembly  
29 in which the member served plus an additional amount of vesting service for each partial biennial  
30 assembly served, which amount shall be equal to the pro rata portion of the biennial assembly  
31 so served. The total amount of vesting service provided for in this subdivision shall be used to  
32 calculate the deferred normal annuity or deferred partial annuity to which such member is  
33 entitled based on the member's creditable service, which includes all service designated as  
34 vesting service under this subdivision, the member's average compensation, and the law in effect  
35 at the time the member's employment was terminated.

36           3. Any member whose employment terminated on or after October 1, 1984, but before  
37 September 28, 1992, and who was other than a member of the general assembly and who has five  
38 or more years of vesting service as an employee at the date of termination of employment shall  
39 be entitled to a deferred partial annuity based on the member's creditable service, average  
40 compensation, and the law in effect at the time the member's employment was terminated, in the  
41 following amounts:

42           (1) An employee with at least five years of vesting service, but less than six years, is  
43 entitled to fifty percent of the amount payable as a deferred normal annuity;

44           (2) An employee with six years of vesting service, but less than seven years, is entitled  
45 to sixty percent of the amount payable as a deferred normal annuity;

46           (3) An employee with seven years of vesting service, but less than eight years, is entitled  
47 to seventy percent of the amount payable as a deferred normal annuity;

48           (4) An employee with eight years of vesting service, but less than nine years, is entitled  
49 to eighty percent of the amount payable as a deferred normal annuity;

50 (5) An employee with nine years of vesting service, but less than ten years, is entitled  
51 to ninety percent of the amount payable as a deferred normal annuity.

52 4. Any member whose employment terminated on or after September 28, 1992, and who  
53 was other than a member of the general assembly and who has five or more years of vesting  
54 service as an employee at the date of termination of employment shall be entitled to a deferred  
55 normal annuity based on the member's creditable service, average compensation, and the law in  
56 effect at the time the member's employment was terminated.

57 5. Any member who is entitled to a deferred normal annuity as provided in subsection  
58 1, 2, 3, or 4 of this section and who reenters the service of a department and again becomes a  
59 member of the system shall have the member's prior period of vesting service combined with the  
60 member's current membership service, so that any benefits that may become payable under this  
61 system by reason of the member's retirement or subsequent withdrawal will recognize such prior  
62 period of vesting service.

63 6. (1) A vested member, an administrative law judge or legal advisor as defined in  
64 section 287.812, RSMo, or a judge as defined in section 476.515, RSMo, who has terminated  
65 all employment with the state of Missouri for a period of six months or longer, may make a  
66 one-time election for the system to pay the present value of a deferred annuity or a benefit as  
67 defined in section 287.812, RSMo, or section 476.515, RSMo, if the amount of such terminated  
68 member's or person's creditable service is less than ten years, and if such terminated member or  
69 person is not within five years of eligibility for receiving an annuity or benefit. Any such  
70 member, administrative law judge, legal advisor or judge who terminates employment on or after  
71 August 28, 1997, shall be eligible for the one-time election provided for in this subsection only  
72 if the present value of the deferred annuity does not exceed ten thousand dollars. The present  
73 value shall be actuarially determined by the system. Except as provided in subdivision (2) of this  
74 subsection, any payment so made shall be a complete discharge of the existing liability of the  
75 system with respect to such terminated member or person.

76 (2) Upon subsequent employment in a position covered under a system administered by  
77 the Missouri state employees' retirement system, the employee, administrative law judge or judge  
78 may elect, within one year of such employment, to purchase creditable service equal to the  
79 amount of creditable service surrendered due to a payment as specified in this subsection. The  
80 cost of such purchase shall be actuarially determined by the system, and shall be paid over a  
81 period of not longer than two years from the date of election, with interest on the unpaid balance.

82 **(3) Persons described in subdivision (1) of this subsection who terminate**  
83 **employment on or after September 1, 2002, shall no longer be eligible to make the election**  
84 **described in subdivision (1) of this subsection.**

85 7. Any individual, covered by a retirement plan identified in chapter 104, chapter 287

86 or chapter 476, RSMo, who terminated employment prior to August 28, 1993, shall, upon  
87 application to the board of trustees of the Missouri state employees' retirement system, be made,  
88 constituted and appointed and employed by the board as a special consultant on the problems of  
89 retirement, aging and other state matters for the remainder of the person's life. Upon request of  
90 the board or the court from which the person retired, the consultant shall give opinions or be  
91 available to give opinions in writing or orally in response to such requests. As compensation for  
92 such services, the consultant shall be eligible to purchase or transfer, prior to retirement,  
93 creditable service as set forth in section 105.691, RSMo.

104.344. Notwithstanding any other law to the contrary, any person who is actively  
2 employed by the state of Missouri in a position covered by a retirement plan administered by the  
3 Missouri state employees' retirement system and who had nonfederal full-time public  
4 employment in the state of Missouri or who had provided full-time services for compensation  
5 to the state of Missouri under a contract, and who by virtue of such employment was a member  
6 of a retirement system or other employer-sponsored retirement plan other than the Missouri state  
7 employees' retirement system but is not vested in such other retirement system or plan, or was  
8 not a member of any retirement system or plan, may elect, prior to retirement, to purchase [up  
9 to four years of] **all of the member's** creditable prior service **but not to exceed four years** for  
10 such service in any plan administered by the Missouri state employees' retirement system in  
11 which the person is receiving service credit for active employment or is eligible for a deferred  
12 annuity. The purchase shall be effected by the person paying to the Missouri state employees'  
13 retirement system an amount equal to what would have been contributed by the state in his or  
14 her behalf had the person been a member for the period for which he or she is electing to  
15 purchase credit and had the person's compensation during such period been the same as the  
16 annual salary rate at which the person was initially employed in a position covered by a plan  
17 administered by the Missouri state employees' retirement system, with the calculations based on  
18 the contribution rate in effect on the date of his or her employment under the provisions of the  
19 Missouri state employees' retirement system with simple interest calculated from the date of  
20 employment from which the person could first receive creditable service from the Missouri state  
21 employees' retirement system to the date of election to purchase such service. The payment shall  
22 be made over a period of not longer than two years, with simple interest on the unpaid balance.  
23 In no event shall any person receive credit or benefits under any other retirement plan as defined  
24 pursuant to section 105.691, RSMo, for creditable service purchased pursuant to the provisions  
25 of this section. The contribution rate for any judge who elects to purchase service for a period  
26 prior to July 1, 1998, shall be equal to a contribution rate which would be used if the judicial  
27 system were funded on an actuarial basis prior to that date.

104.350. 1. Upon withdrawal from service, any member who is not entitled to a normal

2 annuity, deferred normal annuity or disability benefits pursuant to the provisions of this chapter  
3 shall forfeit all rights in the fund, including the member's accrued creditable service as of the date  
4 of the member's withdrawal.

5 2. A former employee who is employed on or after August 28, [2000] **2002**, who has  
6 forfeited service shall have the forfeited period of service restored **after receiving creditable**  
7 **service continuously for one year.**

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

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

12 3. Employees who are fully vested at the age of sixty-five years and who continue to be  
13 employed by an agency covered under the system or members of the general assembly who serve  
14 in the general assembly after the age of sixty-five years shall have added to their normal annuity  
15 when they retire or die an amount equal to the total of all annual cost-of-living increases that the  
16 retired members of the system received during the years between when the employee or member  
17 of the general assembly reached sixty-five years of age and the year that the employee or member  
18 of the general assembly terminated employment or died. In no event shall the total increase in  
19 compensation granted under this subsection and subsection 2 of section 104.612 exceed  
20 sixty-five percent of the person's normal annuity calculated at the time of retirement or death.

104.380. If a retired member is elected to any state office or is appointed to any state  
2 office or is employed by a department [and works more than one thousand hours per year  
3 regardless of the number of positions held on or after the first day of employment, the retired  
4 member shall not receive an annuity or additional creditable service for any month or part of a  
5 month for which the retired member is so employed. The system shall recover any benefit  
6 payments received by the retiree during any year that the retiree works more than one thousand  
7 hours pursuant to section 104.490. The term "year" as used in this section shall mean the  
8 twelve-month period beginning on the annuity starting date and each subsequent year thereafter.  
9 The provisions of this section shall apply to all retired members employed on or after  
10 September 1, 2001, regardless of when the retired member was first employed. Any person who

11 is an employee on or after August 28, 2001, retires and is subsequently employed in a position  
12 covered by the highways and transportation employees' and highway patrol retirement system  
13 shall not be eligible to receive retirement benefits or additional creditable service from the  
14 system.] **in a position normally requiring the performance by the person of duties during**  
15 **not less than one thousand hours per year, the member shall not receive an annuity for any**  
16 **month or part of a month for which the member serves as an officer or employee, but the**  
17 **member shall be considered to be a new employee with no previous creditable service and**  
18 **must accrue creditable service in order to receive any additional annuity. Any retired**  
19 **member who again becomes an employee and who accrues additional creditable service**  
20 **and later retires shall receive an additional amount of monthly annuity calculated to**  
21 **include only the creditable service and the average compensation earned by the member**  
22 **since such employment or creditable service earned as a member of the general assembly.**  
23 **Years of membership service and twelfths of a year are to be used in calculating any**  
24 **additional annuity except for creditable service earned as a member of the general**  
25 **assembly, and such additional annuity shall be based on the type of service accrued. In**  
26 **either event, the original annuity and the additional annuity, if any, shall be paid**  
27 **commencing with the end of the first month after the month during which the member's**  
28 **term of office has been completed, or the member's employment terminated. If a retired**  
29 **member is employed by a department in a position that does not normally require the**  
30 **person to perform duties during at least one thousand hours per year, the member shall**  
31 **not be considered an employee as defined pursuant to section 104.010. A retired member**  
32 **who becomes reemployed as an employee on or after August 28, 2001, in a position covered**  
33 **by the highways and transportation employees' and highway patrol retirement system shall**  
34 **not be eligible to receive retirement benefits or additional creditable service from the state**  
35 **employees' retirement system.**

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

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

104.436. 1. [Beginning January 1, 1991, at least ninety days before each regular session  
2 of the general assembly, the board shall certify to the division of budget an actuarially  
3 determined estimate of the amount which will be necessary during the next biennial or

4 appropriation period to pay all liabilities, including costs of administration, which shall exist or  
5 accrue under sections 104.010 and 104.320 to 104.800 during such period. The estimate shall  
6 be computed as a level percentage of payroll compensation to cover the normal cost and to  
7 amortize the accrued liability over a period not to exceed forty years.] **The board intends to**  
8 **follow a financing pattern which computes and requires contribution amounts which,**  
9 **expressed as percents of active member payroll, will remain approximately level from year**  
10 **to year and from one generation of citizens to the next generation. Such contribution**  
11 **determinations require regular actuarial valuations, which shall be made by the board's**  
12 **actuary, using assumptions and methods adopted by the board after consulting with its**  
13 **actuary. The entry age normal cost valuation method shall be used in determining normal**  
14 **cost, and contributions for unfunded accrued liabilities shall be determined using level**  
15 **percent-of-payroll amortization.**

16 2. **At least ninety days before each regular session of the general assembly, the**  
17 **board shall certify to the division of budget the contribution rate necessary to cover the**  
18 **liabilities of the plan administered by the system, including costs of administration,**  
19 **expected to accrue during the next appropriation period.** The commissioner of  
20 administration shall request appropriation of the amount calculated [under] **pursuant to the**  
21 provisions of **this** subsection [1 of this section]. **Following each pay period,** the commissioner  
22 of administration [monthly] shall requisition and certify the payment to the executive director  
23 of the Missouri state employees' retirement system. The executive director shall promptly  
24 deposit the amounts certified to the credit of the Missouri state employees' retirement fund.

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

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

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

104.515. 1. Separate accounts for medical, life insurance and disability benefits  
2 provided pursuant to sections 104.517 and 104.518 shall be established as part of the fund. The

3 funds, property and return on investments of the separate account shall not be commingled with  
4 any other funds, property and investment return of the system. All benefits and premiums are  
5 paid solely from the separate account for medical, life insurance and disability benefits provided  
6 pursuant to this section.

7         2. The state shall contribute an amount as appropriated by law and approved by the  
8 governor per month for medical benefits, life insurance and long-term disability benefits as  
9 provided pursuant to this section and sections 104.517 and 104.518. Such amounts shall include  
10 the cost of providing life insurance benefits for each active employee who is a member of the  
11 Missouri state employees' retirement system, a member of the public school retirement system  
12 and who is employed by a state agency other than an institution of higher learning, a member of  
13 the retirement system established by sections 287.812 to 287.855, RSMo, the judicial retirement  
14 system, each legislator and official holding an elective state office, members not on payroll status  
15 who are receiving workers' compensation benefits, and if the state highways and transportation  
16 commission so elects, those employees who are members of the state transportation department  
17 employees' and highway patrol retirement system; if the state highways and transportation  
18 commission so elects to join the plan, the state shall contribute an amount as appropriated by law  
19 for medical benefits for those employees who are members of the transportation department  
20 employees' and highway patrol retirement system; an additional amount equal to the amount  
21 required, based on competitive bidding or determined actuarially, to fund the retired members'  
22 death benefit or life insurance benefit, or both, provided in subsection 4 of this section and the  
23 disability benefits provided in section 104.518. This amount shall be reported as a separate item  
24 in the monthly certification of required contributions which the commissioner of administration  
25 submits to the state treasurer and shall be deposited to the separate account for medical, life  
26 insurance and disability benefits. All contributions made on behalf of members of the state  
27 transportation department employees' and highway patrol retirement system shall be made from  
28 highway funds. If the highways and transportation commission so elects, the spouses and  
29 unemancipated children under twenty-three years of age of employees who are members of the  
30 state transportation department employees' and highway patrol retirement system shall be able  
31 to participate in the program of insurance benefits to cover medical expenses pursuant to the  
32 provisions of subsection 3 of this section.

33         3. The board shall determine the premium amounts required for participating employees.  
34 The premium amounts shall be the amount, which, together with the state's contribution, is  
35 required to fund the benefits provided, taking into account necessary actuarial reserves. Separate  
36 premiums shall be established for employees' benefits and a separate premium or schedule of  
37 premiums shall be established for benefits for spouses and unemancipated children under  
38 twenty-three years of age of participating employees. The employee's premiums for spouse and

39 children benefits shall be established to cover that portion of the cost of such benefits which is  
40 not paid for by contributions by the state. All such premium amounts shall be paid to the board  
41 of trustees at the time that each employee's wages or salary would normally be paid. The  
42 premium amounts so remitted will be placed in the separate account for medical, life insurance  
43 and disability benefits. In lieu of the availability of premium deductions, the board may establish  
44 alternative methods for the collection of premium amounts.

45         4. Each special consultant eligible for life benefits employed by a board of trustees of  
46 a retirement system as provided in section 104.610 who is a member of the Missouri state life  
47 insurance plan or Missouri state transportation department and Missouri state highway patrol life  
48 insurance plan shall, in addition to duties prescribed in section 104.610 or any other law, and  
49 upon request of the board of trustees, give the board, orally or in writing, a short detailed  
50 statement on life insurance and death benefit problems affecting retirees. As compensation for  
51 the extra duty imposed by this subsection, any special consultant as defined above, other than  
52 a special consultant entitled to a deferred normal annuity pursuant to section 104.035 or 104.335,  
53 who retires on or after September 28, 1985, shall receive as a part of compensation for these  
54 extra duties, a death benefit of five thousand dollars, **and any special consultant who**  
55 **terminates employment on or after August 28, 1999, after reaching normal or early**  
56 **retirement age and becomes a retiree within sixty days of such termination shall receive**  
57 **five thousand dollars of life insurance coverage.** In addition, each special consultant who is  
58 a member of the transportation department employees' and highway patrol retirement system  
59 medical insurance plan shall also provide the board, upon request of the board, orally or in  
60 writing, a short detailed statement on physical, medical and health problems affecting retirees.  
61 As compensation for this extra duty, each special consultant as defined above shall receive, in  
62 addition to all other compensation provided by law, nine dollars, or an amount equivalent to that  
63 provided to other special consultants pursuant to the provisions of section 103.115, RSMo. In  
64 addition, any special consultant as defined in section 287.820, RSMo, or section 476.601, RSMo,  
65 who terminates employment and immediately retires on or after August 28, 1995, shall receive  
66 as a part of compensation for these duties, a death benefit of five thousand dollars **and any**  
67 **special consultant who terminates employment on or after August 28, 1999, after reaching**  
68 **the age of eligibility to receive retirement benefits and becomes a retiree within sixty days**  
69 **of such termination shall receive five thousand dollars of life insurance coverage.**

70         5. Any former employee who is receiving disability income benefits from the Missouri  
71 state employees' retirement system or the transportation department employees' and highway  
72 patrol retirement system shall, upon application with the board of trustees of the Missouri  
73 consolidated health care plan or the transportation department employees and highway patrol  
74 medical plan, be made, constituted, appointed and employed by the respective board as a special

75 consultant on the problems of the health of disability income recipients and, upon request of the  
76 board of trustees of each medical plan, give the board, orally or in writing, a short detailed  
77 statement of physical, medical and health problems affecting disability income recipients. As  
78 compensation for the extra duty imposed by this subsection, each such special consultant as  
79 defined in this subsection may receive, in addition to all other compensation provided by law,  
80 an amount contributed toward medical benefits coverage provided by the Missouri consolidated  
81 health care plan or the transportation employees and highway patrol medical plan pursuant to  
82 appropriations.

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

7 2. Any annuity, benefits, funds, property, or rights created by, or accruing or paid to, any  
8 person under the provisions of sections 104.320 to 104.540 shall not be subject to execution,  
9 garnishment, attachment, writ of sequestration, or any other process or claim whatsoever, and  
10 shall be unassignable, except with regard to the collection of child support or maintenance, **and**  
11 **except that a beneficiary may assign life insurance proceeds.** Any retired member of the  
12 system may request the executive director of the system, in writing, to withhold and pay on his  
13 behalf to the proper person, from each of his monthly retirement benefit payments, if the  
14 payment is large enough, the contribution due from the retired member to any group providing  
15 prepaid hospital care and any group providing prepaid medical and surgical care and any group  
16 providing life insurance when such group is composed entirely of members of the system.

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

104.601. Any member retiring pursuant to the provisions of this chapter or any member  
2 retiring pursuant to provisions of chapter 169, RSMo, who is a member of the public school  
3 retirement system and who is employed by a state agency other than an institution of higher  
4 learning, after working continuously until reaching retirement age, shall be credited with all his  
5 or her unused sick leave as [certified by his or her employing agency] **reported through the**  
6 **financial and human resources system maintained by the office of administration, or if a**  
7 **state agency's employees are not paid salaries or wages through such system, as reported**  
8 **directly by the state agency.** When calculating years of service, each member shall be entitled  
9 to one-twelfth of a year of creditable service for each one hundred sixty-eight hours of unused

10 accumulated sick leave earned by the member. **The employing agency shall not certify unused**  
11 **sick leave unless such unused sick leave could have been used by the member for sickness**  
12 **or injury.** The rate of accrual of sick leave for purposes of computing years of service [as]  
13 **pursuant to** this section [applies to legislative, executive and judicial employees] shall be  
14 [consistent with the rate of accrual as specified by regulations of the personnel advisory board  
15 pursuant to section 36.350, RSMo] **no greater than ten hours per month.** Nothing under this  
16 section shall allow a member to vest in the retirement system by using such credited sick leave  
17 to reach the time of vesting.

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

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

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

104.620. 1. Any member who has not received a lump sum payment equal to the sum  
2 total of the contributions that the member paid into the retirement system, plus interest credited  
3 to his or her account, shall be entitled to such a lump sum payment. Lump sum payments made  
4 pursuant to this section shall not be reduced by any retirement benefits which a member is  
5 entitled to receive, but shall be paid in full out of appropriate funds pursuant to appropriations  
6 for this purpose.

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

15 3. **In the event any amount is due a deceased member, survivor, or beneficiary who**  
16 **dies after September 1, 2002, such amount shall be paid to the person or entity designated**  
17 **in writing as beneficiary to receive such amount by such member, survivor, or beneficiary.**  
18 **The member, survivor, or beneficiary may designate in writing a beneficiary to receive any**

19 **final payment due after the death of a member, survivor, or beneficiary pursuant to this**  
20 **chapter. If no living person or entity so designated as beneficiary exists at the time of**  
21 **death, such amount shall be paid to the surviving spouse married to the deceased member,**  
22 **survivor, or beneficiary at the time of death. If no surviving spouse exists, such amount**  
23 **shall be paid to the surviving children or their descendants of such member, survivor, or**  
24 **beneficiary in equal parts. If no surviving children or any of their descendants exist, such**  
25 **amount shall be paid to the surviving parents of such member, survivor, or beneficiary in**  
26 **equal parts. If no surviving parents exist, such amount shall be paid to the surviving**  
27 **brothers, sisters, or their descendants of such member, survivor, or beneficiary in equal**  
28 **parts. If no surviving brothers, sisters, or their descendants exist, payment may be made**  
29 **as otherwise permitted by law. Notwithstanding this subsection, any amount due to a**  
30 **deceased member as payment of all or part of a lump sum pursuant to section 104.625 shall**  
31 **be paid to the member's surviving spouse married to the member at the time of death, and**  
32 **otherwise payment may be made as provided in this subsection.** In the event any amount that  
33 is due to a member of either system remains unclaimed by such member for a period of four  
34 years or more, such amount shall automatically revert to the credit of the fund of the member's  
35 system. If an application is made after such reversion for such amount, the board shall pay such  
36 amount from the board's fund to the member, except that no interest shall be paid on such funds  
37 after the date of the reversion to the fund.

38 **4. The beneficiary of any member who purchased creditable service in the Missouri**  
39 **state employees' retirement system shall receive a refund upon the member's death equal**  
40 **to the amount of any purchase less any retirement benefits received by the member unless**  
41 **an annuity is payable to a survivor or beneficiary as a result of the member's death. In**  
42 **that event, the beneficiary of the survivor or beneficiary who received the annuity shall**  
43 **receive a refund upon the survivor's or beneficiary's death equal to the amount of the**  
44 **member's purchase of service less any annuity amounts received by the member and the**  
45 **survivor or beneficiary.**

104.625. Effective [January] **July** 1, 2002, any member retiring pursuant to the  
2 provisions of sections 104.010 to 104.801, except an elected official or a member of the general  
3 assembly, who has not been paid retirement benefits and continues employment for at least two  
4 years beyond normal retirement age, may elect to receive an annuity and lump sum payment or  
5 payments, determined as follows:

6 (1) A retroactive starting date shall be established which shall be [the later of the date  
7 when a normal annuity would have first been payable had the member retired at that time or five  
8 years before the annuity starting date, which shall be the first day of the month with respect to  
9 which an amount is paid as annuity pursuant to this section] **a date selected by the member;**

10 **provided, however, that the retroactive starting date selected by the member shall not be**  
11 **a date which is earlier than the date when a normal annuity would have first been payable.**  
12 **In addition, the retroactive starting date shall not be more than five years prior to the**  
13 **annuity starting date, which shall be the first day of the month with respect to which an**  
14 **amount is paid as an annuity pursuant to this section. The member's selection of a**  
15 **retroactive starting date shall be done in twelve-month increments, except this restriction**  
16 **shall not apply when the member selects the total available time between the retroactive**  
17 **starting date and the annuity starting date;**

18 (2) The prospective annuity payable as of the annuity starting date shall be determined  
19 pursuant to the provisions otherwise applicable under the law, with the exception that it shall be  
20 the amount which would have been payable had the member actually retired on the retroactive  
21 starting date under the retirement plan selected by the member. Other than for the lump sum  
22 payment or payments specified in subdivision (3) of this section, no other amount shall be due  
23 for the period between the retroactive starting date and the annuity starting date;

24 (3) The lump sum payable shall be ninety percent of the annuity amounts which would  
25 have been paid to the member from the retroactive starting date to the annuity starting date had  
26 the member actually retired on the retroactive starting date and received a normal annuity. The  
27 member shall elect to receive the lump sum amount either in its entirety at the same time as the  
28 initial annuity payment is made or in three equal annual installments with the first payment made  
29 at the same time as the initial annuity payment; [and]

30 (4) Any annuity payable pursuant to this section that is subject to a division of benefit  
31 order pursuant to section 104.312 shall be calculated as follows:

32 (a) Any service of a member between the retroactive starting date and the annuity  
33 starting date shall not be considered creditable service except for purposes of calculating the  
34 division of benefit; and

35 (b) The lump sum payment described in subdivision (3) of this section shall not be  
36 subject to any division of benefit order; **and**

37 **(5) For purposes of determining annual benefit increases payable as part of the**  
38 **lump sum and annuity provided pursuant to this section, the retroactive starting date shall**  
39 **be considered the member's date of retirement.**

104.800. 1. Except as otherwise provided by law, any person having earned creditable  
2 service pursuant to the provisions of the state employees' retirement system or pursuant to the  
3 provisions of the state transportation department employees' and highway patrol retirement  
4 system or having service as a statewide state elective officer or having service as a member of  
5 the general assembly or having service pursuant to the provisions of sections 287.812 to 287.855,  
6 RSMo, or having service as a judge, as defined in section 476.515, RSMo, may elect prior to

7 retirement and not after retirement, to make a one-time transfer of credit for such service or such  
8 creditable service to or from any other retirement system or type of service specified in this  
9 section or sections 56.800 to 56.840, RSMo, for which the person has accumulated service or  
10 creditable service. The amount of transferred credit shall be accumulated with the amount of  
11 such creditable service or such service earned by the person in the retirement system or type of  
12 service to which the service is transferred for purposes of determining the benefits to which the  
13 person is entitled under the retirement system or type of service to which the service is  
14 transferred. The transfer of such creditable service or service shall become effective on the first  
15 day of the second month following the month in which the person files written notification of  
16 the person's election with the retirement boards affected by such service transfer. When the  
17 election to transfer creditable service or service becomes effective, the person shall thereby  
18 forfeit any claim to any benefit under the provisions of the retirement system or type of service,  
19 as the case may be, from which the service or creditable service was transferred regardless of the  
20 amount of service or creditable service previously earned in such retirement system or type of  
21 service. **Any person who has transferred service pursuant to this subsection prior to**  
22 **August 28, 2002, and who is an employee covered by a retirement plan described in this**  
23 **subsection after that date, may elect to make an additional transfer of service prior to**  
24 **retirement if additional service would otherwise be available to be transferred except for**  
25 **the forfeiture of that service after the previous transfer. In no event shall the amount of**  
26 **service that a person shall be entitled to transfer pursuant to the provisions of this section [shall**  
27 **not] exceed [five] eight years.**

28         2. In the event of the death of a member before retirement and prior to exercising transfer  
29 rights pursuant to the provisions of this section, survivorship benefits shall be computed as if  
30 such person had in fact exercised or not exercised the person's transfer rights to produce the most  
31 advantageous benefit possible.

32         3. Any person that has earned creditable service pursuant to the provisions governing the  
33 Missouri state employees' retirement system or pursuant to the provisions of chapter 287, RSMo,  
34 or chapter 476, RSMo, who terminated employment prior to August 13, 1986, shall, upon  
35 application to the board of trustees of the Missouri state employees' retirement system, be made,  
36 constituted and appointed and employed by the board as a special consultant on the problems of  
37 retirement, aging and other state matters for the remainder of the person's life. Upon request of  
38 the board or the court from which the person retired, the consultant shall give opinions or be  
39 available to give opinions in writing or orally in response to such request. As compensation for  
40 such services, the consultant shall be eligible, prior to retirement, to make a one-time transfer of  
41 creditable service as provided in this section.

104.1015. 1. Persons covered by a closed plan on July 1, 2000, shall elect whether or

2 not to change to year 2000 plan coverage. Any such person who elects to be covered by the year  
3 2000 plan shall forfeit all rights to receive benefits under this chapter except as provided under  
4 the year 2000 plan and all creditable service of such person under the closed plan shall be  
5 credited under the year 2000 plan. Any such person who elects not to be covered by the year  
6 2000 plan shall waive all rights to receive benefits under the year 2000 plan. In no event shall  
7 any retroactive annuity be paid to such persons pursuant to sections 104.1003 to 104.1093 except  
8 as described in subsection 2 of this section.

9       2. Each retiree of the closed plan on July 1, 2000, shall be furnished by the appropriate  
10 system a written comparison of the retiree's closed plan coverage and the retiree's potential year  
11 2000 plan coverage. A retiree shall elect whether or not to change to year 2000 plan coverage  
12 by making a written election, on a form furnished by the appropriate board, and providing that  
13 form to the system by no later than twelve months after July 1, 2000, and any retiree who fails  
14 to make such election within such time period shall be deemed to have elected to remain covered  
15 under the closed plan; provided the election must be after the retiree has received from the  
16 appropriate system such written comparison. The retirement option elected under the year 2000  
17 plan shall be the same as the retirement option elected under the closed plan, except any retiree  
18 who is receiving one of the options providing for a continuing lifetime annuity to a surviving  
19 spouse under the closed plan may elect to receive an annuity under option 1 or 2 of section  
20 104.1027, or a life annuity under subsection 2 of section 104.1024, provided the person who was  
21 married to the member at the time of retirement, if any, consents in writing to such election made  
22 pursuant to section 104.1024, or to any election described in this section if the person was  
23 married to a member of the Missouri state employees' retirement system. The effective date of  
24 payment of an annuity under the year 2000 plan as provided in this subsection shall begin on  
25 July 1, 2000. No adjustment shall be made to retirement benefits paid to the retiree prior to July  
26 1, 2000. In order to calculate a new monthly annuity for retirees electing coverage under the year  
27 2000 plan pursuant to this subsection, the following calculations shall be made:

28       (1) Except as otherwise provided in this subsection, the retiree's gross monthly  
29 retirement annuity in effect immediately prior to July 1, 2000, shall be multiplied by the  
30 percentage increase in the life annuity formula between the closed plan and the year 2000 plan.  
31 This amount shall be added to the retiree's gross monthly retirement annuity in effect  
32 immediately prior to July 1, 2000, to arrive at the retiree's new monthly retirement annuity in the  
33 year 2000 plan on July 1, 2000. The age of eligibility and reduction factors applicable to the  
34 retiree's original annuity under the closed plan shall remain the same in the annuity payable under  
35 the year 2000 plan, except as provided in subdivision (2) of this subsection.

36       (2) If option 1 or 2 pursuant to section 104.1027 is chosen by the retiree under the year  
37 2000 plan, the new monthly retirement annuity calculated pursuant to subdivision (1) of this

38 subsection shall be recalculated using the reduction factors for the option chosen pursuant to  
39 section 104.1027.

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

43 (4) Cost-of-living adjustments paid pursuant to section 104.1045 will commence on the  
44 anniversary of the retiree's annuity starting date coincident with or next following July 1, 2000.

45 (5) Any retiree or other person described in this section who elects coverage under the  
46 year 2000 plan based on service rendered as a member of the general assembly or as a statewide  
47 elected official shall receive an annuity under the year 2000 plan calculated pursuant to the  
48 provisions of section 104.1084 using the current monthly pay at the time of the election with  
49 future COLAs calculated pursuant to subsection 7 of section 104.1084.

50 3. Each person who is an employee and covered by the closed plan and not a retiree of  
51 the closed plan on July 1, 2000, shall elect whether or not to change to year 2000 plan coverage  
52 prior to the last business day of the month before the person's annuity starting date, and if such  
53 election has not been made within such time, annuity payments due beginning on and after the  
54 month of the annuity starting date shall be made the month following the receipt by the  
55 appropriate system of such election and any other information required by the year 2000 plan  
56 created by sections 104.1003 to 104.1093; provided, such election must be after the person has  
57 received from the year 2000 plan a written comparison of the person's closed plan coverage and  
58 the person's potential year 2000 plan coverage and the election must be made in writing on a  
59 form furnished by the appropriate board. If such person dies after the annuity starting date but  
60 before making such election and providing such other information, no benefits shall be paid  
61 except as required pursuant to section 104.420 or subsection 2 of section 104.372 for members  
62 of the general assembly.

63 4. Each person who is not an employee and not a retiree and is eligible for a deferred  
64 annuity from the closed plan on July 1, 2000, shall elect whether or not to change to the year  
65 2000 plan coverage prior to the last business day of the month before the person's annuity  
66 starting date, and if such election has not been made within such time, annuity payments due  
67 beginning on and after the month of the annuity starting date shall be made the month following  
68 the receipt by the appropriate system of such election and any other information required by the  
69 year 2000 plan created by sections 104.1003 to 104.1093; provided, the election must be after  
70 the person has received from the year 2000 plan a written comparison of the person's closed plan  
71 coverage and the person's potential year 2000 plan coverage and the election must be made in  
72 writing on a form furnished by the appropriate board. If such person dies after the annuity  
73 starting date but before making such election and providing such other information, no benefits

74 shall be paid except as required pursuant to section 104.420 or subsection 2 of section 104.372  
75 for members of the general assembly.

76 5. Each person who is not an employee and not a retiree and is eligible for a deferred  
77 annuity from the closed plan and returns to covered employment on or after July 1, 2000, shall  
78 be covered under the closed plan; provided, such person shall elect whether or not to change to  
79 the year 2000 plan coverage prior to the last business day of the month before the person's  
80 annuity starting date, and if such election has not been made within such time, annuity payments  
81 due beginning on and after the month of the annuity starting date shall be made the month  
82 following the receipt by the appropriate system of such election and any other information  
83 required by the year 2000 plan created by sections 104.1003 to 104.1093 and the election must  
84 be after the person has received from the year 2000 plan a written comparison of the person's  
85 closed plan coverage and the person's potential year 2000 plan coverage and the election must  
86 be made in writing on a form furnished by the appropriate board. If such person dies after the  
87 annuity starting date but before making such election and providing such other information, no  
88 benefits shall be paid except as required under section 104.420 or subsection 2 of section  
89 104.372 for members of the general assembly.

90 6. Each person who is not an employee and not a retiree and not eligible for a deferred  
91 annuity from the closed plan but has forfeited creditable service with the closed plan and  
92 becomes an employee **on or** after [July 1, 2000] **August 28, 2002**, shall be changed to year 2000  
93 plan coverage [upon such return] and **upon receiving credited service continuously for one**  
94 **year shall** receive credited service for all such forfeited creditable service under the closed plan.

95 7. Each person who was employed as a member of the general assembly through  
96 December 31, 2000, covered under the closed plan, and has served at least two full biennial  
97 assemblies as defined in subdivision (24) of subsection 1 of section 104.010 but who is not  
98 eligible for a deferred annuity under the closed plan shall be eligible to receive benefits under  
99 the new plan pursuant to subdivision (5) of subsection 2 of this section upon meeting the age  
100 requirements under the new plan.

101 8. The retirees and persons described in subsections 2 and 4 of this section shall be  
102 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  
2 system, membership in the system shall thereupon cease. If a member has five or more years of  
3 credited service upon such member's termination of membership, such member shall be a vested  
4 former member entitled to a deferred annuity pursuant to section 104.1036. If a member has  
5 fewer than five years of credited service upon termination of membership, such former member's  
6 credited service shall be forfeited, provided that if such former member becomes reemployed in  
7 a position covered by the system, such former member shall again become a member of the

8 system and the forfeited credited service shall be restored **after receiving creditable service**  
9 **continuously for one year.**

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

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

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

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

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

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

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

28 6. Any member who had active military service in the United States Army, Air Force,  
29 Navy, Marine Corps, Army or Air National Guard, Coast Guard, or any reserve component

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

51         7. Any member of the Missouri state employees' retirement system shall receive credited  
52 service for the creditable prior service that such employee would have been entitled to under the  
53 closed plan pursuant to section 104.339, subsections 2, and 6 to 9 of section 104.340, subsection  
54 12 of section 104.342, section 104.344, subsection 4 of section 104.345, subsection 4 of section  
55 104.372, section 178.640, RSMo, and section 211.393, RSMo, provided such service has not  
56 been credited under the closed plan.

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

63         9. In no event shall any person or member receive credited service pursuant to the year  
64 2000 plan if that same service is credited for retirement benefits under any defined benefit  
65 retirement system not created pursuant to this chapter.

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

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

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

          104.1024. 1. Any member who terminates employment may retire on or after attaining  
2 normal retirement eligibility by making application in written form and manner approved by the  
3 appropriate board. The written application shall set forth the annuity starting date which shall  
4 not be earlier than the first day of the second month following the month of the execution and  
5 filing of the member's application for retirement nor later than the first day of the fourth month  
6 following the month of the execution and filing of the member's application for retirement.

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

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

12          4. If as of the annuity starting date of a member who has attained normal retirement  
13 eligibility the sum of the member's years of age and years of credited service equals eighty or  
14 more years and if the member's age is at least fifty years but less than sixty-two years, or, in the  
15 case of a member of the highway patrol who shall be subject to the mandatory retirement  
16 provision of section 104.080, the mandatory retirement age and completion of five years of  
17 credited service, then in addition to the life annuity described in subsection 2 of this section, the  
18 member shall receive a temporary annuity equal to eight-tenths of one percent of the member's  
19 final average pay multiplied by the member's years of credited service. The temporary annuity  
20 and any cost-of-living adjustments attributable to the temporary annuity pursuant to section  
21 104.1045 shall terminate at the end of the calendar month in which the earlier of the following  
22 events occurs: the member's death or the member's attainment of the earliest age of eligibility for

23 reduced Social Security retirement benefits.

24         5. The annuity described in subsection 2 of this section for any person who has credited  
25 service not covered by the federal Social Security Act, as provided in sections 105.300 to  
26 105.445, RSMo, shall be calculated as follows: the life annuity shall be an amount equal to two  
27 and five-tenths percent of the final average pay of the member multiplied by the number of years  
28 of service not covered by the federal Social Security Act in addition to one and seven-tenths  
29 percent of the final average pay of the member multiplied by the member's years of credited  
30 service covered by the federal Social Security Act.

31         6. Effective [January] **July 1, 2002**, any member, except an elected official or a member  
32 of the general assembly, who has not been paid retirement benefits and continues employment  
33 for at least two years beyond the date of normal retirement eligibility, may elect to receive an  
34 annuity and lump sum payment or payments, determined as follows:

35         (1) A retroactive starting date shall be established which shall be [the later of the first  
36 day of retirement eligibility or five years before the annuity starting date] **a date selected by the**  
37 **member; provided, however, that the retroactive starting date selected by the member shall**  
38 **not be a date which is earlier than the date when a normal annuity would have first been**  
39 **payable. In addition, the retroactive starting date shall not be more than five years prior**  
40 **to the annuity starting date. The member's selection of a retroactive starting date shall be**  
41 **done in twelve-month increments, except this restriction shall not apply when the member**  
42 **selects the total available time between the retroactive starting date and the annuity**  
43 **starting date;**

44         (2) The prospective annuity payable as of the annuity starting date shall be determined  
45 pursuant to the provisions of this section, with the exception that it shall be the amount which  
46 would have been payable at the annuity starting date had the member actually retired on the  
47 retroactive starting date under the retirement plan selected by the member. Other than for the  
48 lump sum payment or payments specified in subdivision (3) of this subsection, no other amount  
49 shall be due for the period between the retroactive starting date and the annuity starting date;

50         (3) The lump sum payable shall be ninety percent of the annuity amounts which would  
51 have been paid to the member from the retroactive starting date to the annuity starting date had  
52 the member actually retired on the retroactive starting date and received a life annuity. The  
53 member shall elect to receive the lump sum amount either in its entirety at the same time as the  
54 initial annuity payment is made or in three equal annual installments with the first payment made  
55 at the same time as the initial annuity payment; [and]

56         (4) Any annuity payable pursuant to this section that is subject to a division of benefit  
57 order pursuant to section 104.1051 shall be calculated as follows:

58         (a) Any service of a member between the retroactive starting date and the annuity

59 starting date shall not be considered credited service except for purposes of calculating the  
60 division of benefit; and

61 (b) The lump sum payment described in subdivision (3) of this section shall not be  
62 subject to any division of benefit order; and

63 **(5) For purposes of determining annual benefit increases payable as part of the**  
64 **lump sum and annuity provided pursuant to this section, the retroactive starting date shall**  
65 **be considered the member's date of retirement.**

104.1039. If a retiree is employed as an employee by a department [and works more than  
2 one thousand hours per year regardless of the number of positions held on or after the first day  
3 of employment, the retiree shall not receive an annuity or additional credited service for any  
4 month or part of a month for which the retiree is so employed. The system shall recover any  
5 benefit payments received by the retiree during any year that the retiree works more than one  
6 thousand hours pursuant to section 104.1060. The term "year" as used in this section shall mean  
7 the twelve-month period beginning on the annuity starting date and each subsequent year  
8 thereafter.], **the retiree shall not receive an annuity payment for any calendar month in**  
9 **which the retiree is so employed. While reemployed the retiree shall be considered to be**  
10 **a new employee with no previous credited service upon subsequent retirement. Such**  
11 **retiree shall receive an additional annuity in addition to the original annuity, calculated**  
12 **based only on the credited service and the pay earned by such retiree during reemployment**  
13 **and paid in accordance with the annuity option originally elected; provided such retiree**  
14 **who ceases to receive an annuity pursuant to this section shall not receive such additional**  
15 **annuity if such retiree is employed by a department in a position that is covered by a**  
16 **state-sponsored defined benefit retirement plan not created pursuant to this chapter. The**  
17 **original annuity and any additional annuity shall be paid commencing as of the end of the**  
18 **first month after the month during which the retiree's reemployment terminates.**

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

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

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

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

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

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

45 6. **The beneficiary of any member who purchased creditable service in the Missouri**  
46 **state employees' retirement system shall receive a refund upon the member's death equal**  
47 **to the amount of any purchase less any retirement benefits received by the member unless**

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

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

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

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

104.1066. 1. The year 2000 plan intends to follow a financing pattern which computes  
2 and requires contribution amounts which, expressed as percents of active member payroll, will  
3 remain approximately level from year to year and from one generation of citizens to the next  
4 generation. Such contribution determinations require regular actuarial valuations, which shall  
5 be made by the board's actuary, using assumptions and methods adopted by the board after  
6 consulting with its actuary. The entry age-normal cost valuation method shall be used in  
7 determining normal cost, and contributions for unfunded accrued liabilities shall be determined  
8 using level percent-of-payroll amortization. For purposes of this subsection **and section**  
9 **104.436**, the actuary shall determine a single contribution rate applicable to both closed plan and  
10 year 2000 plan participants and, in determining such rate, make estimates of the probabilities of  
11 closed plan participants transferring to the year 2000 plan.

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

20 **3. The employers of members covered by the Missouri state employees' retirement**  
21 **system who are not paid out of funds that have been deposited in the state treasury shall remit**

22 [monthly] **following each pay period** to the year 2000 plan an amount equal to the amount  
23 which the state would have paid if those members had been paid entirely from state funds. Such  
24 employers shall maintain payroll records for a minimum of five years and shall produce all such  
25 records as requested by the system. The system is authorized to request from the state office of  
26 administration an appropriation out of the annual budget of any such employer in the event such  
27 records indicate that such employer has not contributed the amounts required by this section.  
28 The office of administration shall request such appropriation which shall be equal to the amount  
29 necessary to replace any shortfall in contributions as determined by the system. From  
30 appropriations so made, the commissioner of administration shall certify contribution amounts  
31 to the state treasurer who in turn shall immediately pay such contributions to the year 2000 plan.

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

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

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

3 (1) Employees shall be provided fifteen thousand dollars of life insurance until  
4 December 31, 2000. Effective January 1, 2001, the system shall provide or contract or both for  
5 basic life insurance for employees covered under any retirement plan administered by the system  
6 pursuant to this chapter, persons covered by sections 287.812 to 287.856, RSMo, for employees  
7 who are members of the judicial retirement system as provided in section 476.590, RSMo, and,  
8 at the election of the state highways and transportation commission, employees who are members  
9 of the highways and transportation employees' and highway patrol retirement system, in the  
10 amount equal to one times annual pay, subject to a minimum amount of fifteen thousand dollars.  
11 The board shall establish by rule or contract the method for determining the annual rate of pay  
12 and any other terms of such insurance as it deems necessary to implement the requirements  
13 pursuant to this section. Annual rate of pay shall not include overtime or any other irregular  
14 payments as determined by the board. Such life insurance shall provide for triple indemnity in

15 the event the cause of death is a proximate result of a personal injury or disease arising out of and  
16 in the course of actual performance of duty as an employee;

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

21 2. (1) In addition to the life insurance authorized by the provisions of subsection 1 of  
22 this section, any person for whom life insurance is provided or contracted for pursuant to such  
23 subsection may purchase, at the person's own expense and only if monthly voluntary payroll  
24 deductions are authorized, additional life insurance at a cost to be stipulated in a contract with  
25 a private insurance company or as may be required by a system if the board of trustees  
26 determines that the system should provide such insurance itself. The maximum amount of  
27 additional life insurance which may be so purchased is that amount which equals six times the  
28 amount of the person's annual rate of pay, subject to any maximum established by a board,  
29 except that if such maximum amount is not evenly divisible by one thousand dollars, then the  
30 maximum amount of additional insurance which may be purchased is the next higher amount  
31 evenly divisible by one thousand dollars.

32 (2) Any person defined in subdivision (1) of this subsection may retain an amount not  
33 to exceed sixty thousand dollars of life insurance following the date of his or her retirement if  
34 such person becomes a retiree the month following termination of employment and makes  
35 written application for such life insurance at the same time such person's application is made to  
36 the board for retirement benefits. Such life insurance shall only be provided if such person pays  
37 the entire cost of the insurance, as determined by the board, by allowing voluntary deductions  
38 from the member's annuity.

39 (3) In addition to the life insurance authorized in subdivision (1) of this subsection, any  
40 person for whom life insurance is provided or contracted for pursuant to this subsection may  
41 purchase, at the person's own expense and only if monthly voluntary payroll deductions are  
42 authorized, life insurance covering the person's children or the person's spouse or both at  
43 coverage amounts to be determined by the board at a cost to be stipulated in a contract with a  
44 private insurer or as may be required by the system if the board of trustees determines that the  
45 system should provide such insurance itself.

46 (4) Effective July 1, 2000, any member who applies and is eligible to receive an annuity  
47 based on the attainment of at least fifty years of age with a total of years of age and years of  
48 credited service which is at least eighty shall be eligible to retain any optional life insurance  
49 described in subdivision (1) of this subsection. The amount of such retained insurance shall not  
50 be greater than the amount in effect during the month prior to termination of employment. Such

51 insurance may be retained until the member's attainment of the earliest age for eligibility for  
52 reduced Social Security retirement benefits at which time the amount of such insurance that may  
53 be retained shall be that amount permitted pursuant to subdivision (2) of this subsection.

54 3. The state highways and transportation commission may provide for insurance benefits  
55 to cover medical expenses for members of the highways and transportation employees' and  
56 highway patrol retirement system. The state highways and transportation commission may  
57 provide medical benefits for dependents of members and for retired members. Contributions by  
58 the state highways and transportation commission to provide the [insurance] benefits shall be on  
59 the same basis as provided for other state employees pursuant to the provisions of section  
60 104.515. Except as otherwise provided by law, the cost of benefits for dependents of members  
61 and for [retired members] **retirees** and their dependents shall be paid by the members **or**  
62 **retirees**. The [state highways and transportation] commission may contract **with other persons**  
63 **or entities including but not limited to third-party administrators, health network**  
64 **providers and health maintenance organizations** for all, or any part of, the [insurance]  
65 benefits provided for in this section. [If the state highways and transportation commission  
66 contracts for insurance benefits, or for administration of the insurance plan, such contracts shall  
67 be entered into on the basis of competitive bids.] **The commission may require reimbursement**  
68 **of any medical claims paid by the commission's medical plan for which there was third-**  
69 **party liability.**

70 4. The highways and transportation employees' and highway patrol retirement system  
71 may request the state highways and transportation commission to provide life insurance benefits  
72 as required in subsections 1 and 2 of this section. If the state highways and transportation  
73 commission agrees to the request, the highways and transportation employees' and highway  
74 patrol retirement system shall reimburse the state highways and transportation commission for  
75 any and all costs for life insurance provided pursuant to subdivision [(1)] **(2)** of subsection 1 of  
76 this section. The person who is covered pursuant to subsection 2 of this section shall be solely  
77 responsible for the costs of any additional life insurance. **In lieu of the life insurance benefit**  
78 **in subdivision (2) of subsection 1 of this section, the highways and transportation**  
79 **employees' and highway patrol retirement system is authorized in its sole discretion to**  
80 **provide a death benefit of five thousand dollars.**

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

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

6 (2) An employee may elect to waive the receipt of the disability benefit provided for

7 under this section at any time.

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

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

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

17 **(3) The board and the system shall not be liable for the disability benefits provided**  
18 **for by an insurer or service organization pursuant to this section and shall not be subject**  
19 **to any cause of action with regard to disability benefits or the denial of disability benefits**  
20 **by the insurer or service organization unless the member has obtained judgment against**  
21 **the insurer or service organization for disability benefits and the insurer or service**  
22 **organization is unable to satisfy that judgment.**

104.1084. 1. For members of the general assembly, the provisions of this section shall  
2 supplement or replace the indicated other provisions of the year 2000 plan. "Normal retirement  
3 eligibility" means attainment of age fifty-five for a member who has served at least [two] **three**  
4 full biennial assemblies or the attainment of at least age fifty for a member who has served at  
5 least [two] **three** full biennial assemblies with a total of years of age and years of credited service  
6 which is at least eighty. A member shall receive two years of credited service for every full  
7 biennial assembly served. A full biennial assembly shall be equal to the period of time beginning  
8 on the first day the general assembly convenes for a first regular session until the last day of the  
9 following year. If a member serves less than a full biennial assembly, the member shall receive  
10 credited service for the pro rata portion of the full biennial assembly served.

11 2. For the purposes of section 104.1024, the normal retirement annuity of a member of  
12 the general assembly shall be an amount for life equal to one twenty-fourth of the monthly pay  
13 for a senator or representative on the annuity starting date multiplied by the years of credited  
14 service as a member of the general assembly. In no event shall any such member or eligible  
15 beneficiary receive annuity amounts in excess of one hundred percent of pay.

16 3. To be covered by the provisions of section 104.1030, or section 104.1036, a member  
17 of the general assembly must have served at least [two] **three** full biennial assemblies.

18 4. For members who are statewide elected officials, the provisions of this section shall  
19 supplement or replace the indicated other provisions of the year 2000 plan. "Normal retirement  
20 eligibility" means attainment of age fifty-five for a member who has served at least four years

21 as a statewide elected official, or the attainment of age fifty with a total of years of age and years  
22 of such credited service which is at least eighty.

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

27 6. To be covered by the provisions of sections 104.1030 and 104.1036, a member who  
28 is a statewide elected official must have at least four years as a statewide elected official.

29 7. The provisions of section 104.1045 shall not apply to persons covered by the general  
30 assembly and statewide elected official provisions of this section. Persons covered by the  
31 general assembly provisions and receiving a year 2000 plan annuity shall be entitled to a  
32 cost-of-living adjustment (COLA) when there are increases in pay for members of the general  
33 assembly. Persons covered by the statewide elected official provisions and receiving a year 2000  
34 plan annuity shall be entitled to COLAs when there are increases in the pay for statewide elected  
35 officials in the highest office held by such person. The COLA described in this subsection shall  
36 be equal to and concurrent with the percentage increase in pay as described in section 105.005,  
37 RSMo. No COLA shall be less than zero.

38 8. Any member who serves under this chapter as a member of the general assembly or  
39 as a statewide elected official on or after August 28, 1999, shall not be eligible to receive any  
40 retirement benefits from the system under either the closed plan or the year 2000 plan based on  
41 service rendered on or after August 28, 1999, as a member of the general assembly or as a  
42 statewide elected official if such member is convicted of a felony that is determined by a court  
43 of law to have been committed in connection with the member's duties either as a member of the  
44 general assembly or as a statewide elected official, unless such conviction is later reversed by  
45 a court of law.

46 9. A member of the general assembly who has purchased or transferred creditable service  
47 shall not be subject to the cap on benefits pursuant to subsection 2 of this section for that portion  
48 of the benefit attributable to the purchased or transferred service.

104.1093. **1. For purposes of this section, the term "benefit recipient" shall include**  
2 **any employee, beneficiary or retiree pursuant to sections 104.010 to 104.1093, any**  
3 **administrative law judge, legal advisor or beneficiary as defined pursuant to section**  
4 **287.812, RSMo, or any judge or beneficiary as defined pursuant to section 476.515, RSMo,**  
5 **or any special commissioner pursuant to section 476.450, RSMo.**

6 **2.** Notwithstanding any provision of law to the contrary, any [employee, beneficiary or  
7 retiree pursuant to sections 104.010 to 104.1093, any administrative law judge, legal advisor or  
8 beneficiary as defined pursuant to section 287.812, RSMo, or any judge or beneficiary as defined

9 pursuant to section 476.515, RSMo, or any special commissioner pursuant to section 476.450,  
10 RSMo,] **benefit recipient** may designate an agent who shall have the same authority as an agent  
11 pursuant to a durable power of attorney pursuant to sections 404.700 to 404.737, RSMo, with  
12 regard to the application for and receipt of an annuity or any other benefits. The authority of  
13 such agent may be revoked at any time by such [employee, beneficiary or retiree] **benefit**  
14 **recipient**. The authority of such agent shall not terminate if such [employee, beneficiary or  
15 retiree] **benefit recipient** becomes disabled or incapacitated. The designation shall be effective  
16 only upon the disability or incapacity of the benefit recipient as determined by that person's  
17 physician and communicated in writing to the system.

18 **3. In the event a benefit recipient becomes disabled or incapacitated and has not**  
19 **designated an agent pursuant to subsection 1 of this section, the following persons may act**  
20 **as agent as described in subsection 1 of this section upon submission of a written statement**  
21 **from a physician determining that the beneficiary recipient is disabled or incapacitated:**

22 (1) **The spouse of the beneficiary recipient;**

23 (2) **If the spouse is unavailable, to a child of the beneficiary recipient;**

24 (3) **If a child is unavailable, to a brother or sister of the beneficiary recipient;**

25 (4) **If a brother or sister is unavailable, to a parent of the beneficiary recipient.**

26 **4. The system shall not be liable with regard to any payment made in good faith**  
27 **pursuant to this section.**

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

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

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

12 (3) "Outside employee", any other provisions of sections 104.010 to 104.1093 to the  
13 contrary notwithstanding, an education employee first so employed on or after July 1, 2002, **who**  
14 **has not been previously employed in a position covered by the Missouri state employee's**  
15 **retirement system**. An outside employee shall not be covered by the other benefit provisions  
16 of this chapter, but rather shall be covered by the benefit provisions provided for pursuant to  
17 sections 104.1200 to 104.1215.

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

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

104.1215. Any outside employee who has participated in the defined contribution plan established pursuant to sections 104.1200 to 104.1215 for at least six years may elect to become a member of the Missouri state employees' retirement system. Such employee shall:

(1) Make such election while actively employed in a position that would otherwise be eligible for membership in the Missouri state employees' retirement system except for the provisions of sections 104.1200 to 104.1215;

(2) Participate in the year 2000 plan; [except that such employee shall participate in the closed plan as defined in section 104.1003 if such employee was a member of the closed plan prior to participating in such defined contribution plan;]

(3) Be considered to have met the service requirements contained in [subsection 4 of section 104.335 or] section 104.1018[, whichever is otherwise applicable];

(4) Not receive any [creditable service or] credited service for service rendered while a participant in such defined contribution plan;

(5) Forfeit any right to future participation in the defined contribution plan after such election; and

(6) Not be eligible to receive credited service pursuant to section 104.1090 based on service rendered while a participant in such defined contribution plan.

**105.664. Each plan shall at least biennially prepare and have available as public information an actuarial valuation performed in compliance with the recommended standards and guidelines as set forth by the governmental accounting standards board. Any plan currently performing valuations on a biennial basis making a substantial proposed change in benefits as defined in section 105.660, shall have a new actuarial valuation performed using the same methods and assumptions for the most recent periodic actuarial valuation.**

217.665. 1. Beginning August 28, 1996, the board of probation and parole shall consist of seven members appointed by the governor by and with the advice and consent of the senate.

2. Beginning August 28, 1996, members of the board shall be persons of recognized integrity and honor, known to possess education and ability in decision making through career experience and other qualifications for the successful performance of their official duties. Not

6 more than four members of the board shall be of the same political party.

7 3. At the expiration of the term of each member and of each succeeding member, the  
8 governor shall appoint a successor who shall hold office for a term of six years and until his  
9 successor has been appointed and qualified. Members may be appointed to succeed themselves.

10 4. Vacancies occurring in the office of any member shall be filled by appointment by the  
11 governor for the unexpired term.

12 5. The governor shall designate one member of the board as chairman. The chairman  
13 shall be the director of the division and shall have charge of the division's operations, funds and  
14 expenditures. The chairman shall designate by order of record another member to act as  
15 chairman in the event of absence or sickness of the chairman, and during such time the member  
16 so appointed by the chairman shall possess all powers of the chairman.

17 6. Members of the board shall devote full time to the duties of their office and before  
18 taking office shall subscribe to an oath or affirmation to support the Constitution of the United  
19 States and the Constitution of the State of Missouri. The oath shall be signed in the office of the  
20 secretary of state.

21 7. The annual compensation for each member of the board whose term commenced  
22 before August 28, 1999, shall be forty-five thousand dollars plus any salary adjustment, including  
23 prior salary adjustments, provided pursuant to section 105.005, RSMo. Salaries for board  
24 members whose terms commence after August 27, 1999, shall be set as provided in section  
25 105.950, RSMo; provided, however, that the compensation of a board member shall not be  
26 increased during the member's term of office, except as provided in section 105.005, RSMo. In  
27 addition to compensation provided by law, the members shall be entitled to reimbursement for  
28 necessary travel and other expenses incurred pursuant to section 33.090, RSMo.

29 **8. Any person who served as a member of the board of probation and parole prior**  
30 **to July 1, 2000, shall be made, constituted, appointed and employed by the board of**  
31 **trustees of the estate employees' retirement system as a special consultant on the problems**  
32 **of retirement, aging and other state matters. As compensation for such services, such**  
33 **consultant shall not be denied use of any unused sick leave, or the ability to receive credit**  
34 **for unused sick leave pursuant to chapter 104, RSMo, provided such sick leave was**  
35 **maintained by the board of probation and parole in the regular course of business prior**  
36 **to July 1, 2000, but only to the extent of such sick leave records are consistent with the**  
37 **rules promulgated pursuant to section 36.350, RSMo. Nothing in this section shall**  
38 **authorize the use of any other form of leave that may have been maintained by the board**  
39 **prior to July 1, 2000.**

476.517. Any judge who is or has been a commissioner or deputy commissioner of the  
2 circuit court appointed after February 29, 1972, who has received creditable service pursuant to

3 chapter 104, RSMo, and sections 476.515 to 476.565, based on service as a commissioner or  
4 deputy commissioner shall make a one-time retirement plan election upon application to receive  
5 retirement benefits. Such judge shall elect to:

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

9       **(2) Receive retirement benefits pursuant to section 104.374 or 104.1024, RSMo,**  
10 **based on the judge's service as a commissioner or deputy commissioner of the circuit court**  
11 **prior to August 28, 1999, and receive retirement benefits pursuant to sections 476.515 to**  
12 **476.565 based on the judge's service as a commissioner or deputy commissioner of the**  
13 **circuit court on or after August 28, 1999.**

2               [104.095. If an employee with ten or more years of creditable service dies  
3 before retirement, his spouse, if named as his beneficiary, may elect, in lieu of the  
4 benefits provided in section 104.140, to receive the reduced survivorship benefits  
5 under this section calculated as if the member had retired as of the date of his death.  
6 If a member who is entitled to a deferred normal annuity under the provisions of  
7 section 104.035 dies before retirement, his spouse, if named as his beneficiary, shall  
8 receive the reduced survivorship benefits under section 104.090 calculated as if the  
member had retired as of the date of his death.]

Section B. Because immediate action is necessary to provide equitable treatment and  
2 timely application of certain pension benefits and compensation, section A of this act is deemed  
3 necessary for the immediate preservation of the public health, welfare, peace, and safety, and is  
4 hereby declared to be an emergency act within the meaning of the constitution, and section A of  
5 this act shall be in full force and effect on July 1, 2002, or upon its passage and approval,  
6 whichever occurs later.