

FIRST REGULAR SESSION

HOUSE BILL NO. 392

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DEMPSEY.

Read 1st time January 11, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1340L.011

AN ACT

To repeal sections 104.344 and 104.1090, RSMo, and to enact in lieu thereof three new sections relating to the purchasing of retirement service credit.

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

Section A. Sections 104.344 and 104.1090, RSMo, are repealed and three new sections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

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 all of
9 the member's creditable prior service but not to exceed four years for such service in any plan
10 administered by the Missouri state employees' retirement system in which the person is receiving
11 service credit for active employment or is eligible for a deferred annuity. The purchase shall be
12 effected by the person paying to the Missouri state employees' retirement system an amount
13 equal to what would have been contributed by the state in his or her behalf had the person been
14 a member for the period for which he or she is electing to purchase credit and had the person's

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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

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

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

6 (1) Such member has a vested right to receive a retirement benefit from the other
7 retirement plan at the time of application pursuant to this section;

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

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

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

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

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

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