

SECOND REGULAR SESSION

HOUSE BILL NO. 1704

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FRANZ (Sponsor) AND SCHLOTTACH (Co-sponsor).

4434L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 104.602, RSMo, and to enact in lieu thereof one new section relating to state retirement systems.

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

Section A. Section 104.602, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 104.602, to read as follows:

104.602. 1. Any member as defined in section 104.010 may elect prior to retirement to receive creditable service with the system of which he or she is a current member equal to all creditable service or any forfeited service performed for a department covered by the other system. In no event shall a member under either system established pursuant to this chapter receive credit in more than one system for the same period of service. **The member may file his or her election transferring service with the receiving system anytime thirty days after becoming a member. The election shall be completed before applying for retirement benefits.**

2. If a member dies before retirement and prior to exercising transfer rights pursuant to the provisions of this section, the survivor may elect to receive survivor benefits that shall be computed as if the member had in fact exercised the member's transfer rights to produce the most advantageous benefit possible. In this instance, the benefit shall be paid by the system that provides the most advantageous benefit. If there is no advantage in one system or the other after the transfer of creditable service, the benefit shall be paid by the system that the member last accrued service under prior to the date of the death of the member.

3. Upon receipt of a transfer election or a survivor application presenting a transfer of benefits, the receiving system shall notify the system that is to transfer the creditable or

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.

18 **forfeited service. Upon notification of the election, the transferring system shall calculate**
19 **the corresponding amount of funds to be transferred by calculating the accrued liabilities**
20 **removed from the transferring system as a result of the transferred service based on the**
21 **transferring system's valuation assumptions and using the entry age normal cost method.**
22 **In the case of forfeited service transferred under this section, the service shall be presumed**
23 **to result in accrued liabilities.**

24 **4. After calculating the amount of funds to be transferred, the transferring system**
25 **shall notify the receiving system of the service to be transferred, the associated amount of**
26 **funds to be transferred, and how the amount was calculated. If the receiving system**
27 **disagrees with the calculated amount, the systems shall work to resolve the dispute**
28 **informally. If the systems cannot agree, each system shall request its actuary to act with**
29 **the other to jointly designate a disinterested actuary to make a final determination. When**
30 **both systems agree on the amount of funds to be transferred or there is a final**
31 **determination under this subsection, the service and corresponding amount of funds shall**
32 **be transferred. Notwithstanding other laws to the contrary, transfers of service between**
33 **the systems shall be funded according to this section. For administrative convenience, the**
34 **systems may mutually agree in writing to transfer funds to settle agreed transfers two times**
35 **per year.**

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