

CONFERENCE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE NO. 2

FOR

SENATE BILL NO. 406

AN ACT

To repeal sections 50.1250, 86.1230, 86.1600, 87.006, 103.085, 104.010, 104.040, 104.160, 104.312, 104.320, 104.344, 104.352, 104.354, 104.380, 104.395, 104.805, 104.1003, 104.1012, 104.1015, 104.1021, 104.1024, 104.1027, 104.1039, 104.1051, 104.1072, 104.1087, 104.1090, 105.660, 105.665, 105.910, 105.915, 105.920, 169.010, 169.070, 169.466, 169.471, 169.670, and 211.393, RSMo, and to enact in lieu thereof forty-five new sections relating to employee benefit plans.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1           Section A. Sections 50.1250, 86.1230, 86.1600, 87.006,  
2 103.085, 104.010, 104.040, 104.160, 104.312, 104.320, 104.344,  
3 104.352, 104.354, 104.380, 104.395, 104.805, 104.1003, 104.1012,  
4 104.1015, 104.1021, 104.1024, 104.1027, 104.1039, 104.1051,  
5 104.1072, 104.1087, 104.1090, 105.660, 105.665, 105.910, 105.915,  
6 105.920, 169.010, 169.070, 169.466, 169.471, 169.670, and  
7 211.393, RSMo, are repealed and forty-five new sections enacted  
8 in lieu thereof, to be known as sections 50.1250, 86.1230,  
9 86.1600, 87.006, 94.579, 103.080, 103.085, 104.010, 104.040,  
10 104.160, 104.312, 104.320, 104.344, 104.352, 104.354, 104.380,  
11 104.395, 104.606, 104.805, 104.1003, 104.1012, 104.1015,  
12 104.1021, 104.1024, 104.1027, 104.1039, 104.1051, 104.1072,  
13 104.1087, 104.1090, 105.660, 105.665, 105.666, 105.667, 105.683,

1 105.684, 105.910, 105.915, 169.010, 169.070, 169.466, 169.471,  
2 169.670, 211.393, and 321.800, to read as follows:

3 50.1250. 1. If a member has less than five years of  
4 creditable service upon termination of employment, the member  
5 shall forfeit the portion of his or her defined contribution  
6 account attributable to board matching contributions or county  
7 matching contributions pursuant to section 50.1230. The proceeds  
8 of such forfeiture shall be applied towards matching  
9 contributions made by the board for the calendar year in which  
10 the forfeiture occurs. If the board does not approve a matching  
11 contribution, then forfeitures shall revert to the county  
12 employees' retirement fund. The proceeds of such forfeiture with  
13 respect to county matching contributions shall be applied toward  
14 matching contributions made by the respective county in  
15 accordance with rules prescribed by the board.

16 2. A member shall be eligible to receive a distribution of  
17 the member's defined contribution account in such form selected  
18 by the member as permitted under and in accordance with the rules  
19 and regulations formulated and adopted by the board from time to  
20 time, and commencing as soon as administratively feasible  
21 following separation from service, unless the member elects to  
22 receive the account balance at a later time, but no later than  
23 his or her required beginning date. Notwithstanding the  
24 foregoing, if the value of a member's defined contribution  
25 account balance is [five] one thousand dollars or less at the  
26 time of the member's separation from service, without respect to  
27 any board-matching contributions or employer-matching  
28 contribution which might be allocated following the member's

1 separation from service, then his or her defined contribution  
2 account shall be distributed to the member in a single sum as  
3 soon as administratively feasible following his or her separation  
4 from service. The amount of the distribution shall be the amount  
5 determined as of the valuation date described in section 50.1240,  
6 if the member has at least five years of creditable service. If  
7 the member has less than five years of creditable service upon  
8 his or her separation from service, then the amount of the  
9 distribution shall equal the portion of the member's defined  
10 contribution account attributable to the member's seed  
11 contributions pursuant to section 50.1220, if any, determined as  
12 of the valuation date.

13 3. If the member dies before receiving the member's account  
14 balance, the member's designated beneficiary shall receive the  
15 member's defined contribution account balance, as determined as  
16 of the immediately preceding valuation date, in a single sum.  
17 The member's beneficiary shall be his or her spouse, if married,  
18 or his or her estate, if not married, unless the member  
19 designates an alternative beneficiary in accordance with  
20 procedures established by the board."; and

21 86.1230. 1. Any member who retires subsequent to August  
22 28, 1991, with entitlement to a pension under sections 86.900 to  
23 86.1280, shall receive each month, in addition to such member's  
24 base pension and cost-of-living adjustments thereto under section  
25 86.1220, and in addition to any other compensation or benefit to  
26 which such member may be entitled under sections 86.900 to  
27 86.1280, a supplemental retirement benefit of fifty dollars per  
28 month. The amount of such supplemental retirement benefit may be

1 adjusted by cost-of-living adjustments determined by the  
2 retirement board not more frequently than annually. [Such  
3 determination shall be based on advice of the plan's actuary that  
4 the increase in the benefit will not cause the present value of  
5 anticipated future plan benefits, calculated on the actuarial  
6 assumptions used for the most recent annual valuation, to exceed  
7 the sum of the trust fund assets plus the present value of  
8 anticipated contributions to the trust fund.]

9 2. Any member who was retired on or before August 28, 1991,  
10 and is receiving retirement benefits from the retirement system  
11 shall, upon application to the retirement board, be retained as a  
12 consultant, and for such services such member shall receive each  
13 month, in addition to such member's base pension and  
14 cost-of-living adjustments thereto under section 86.1220, and in  
15 addition to any other compensation or benefit to which such  
16 member may be entitled under sections 86.900 to 86.1280, a  
17 supplemental compensation in the amount of fifty dollars per  
18 month. This appointment as a consultant shall in no way affect  
19 any member's eligibility for retirement benefits under the  
20 provisions of sections 86.900 to 86.1280, or in any way have the  
21 effect of reducing retirement benefits otherwise payable to such  
22 member. The amount of such supplemental compensation under this  
23 subsection may be adjusted by cost-of-living adjustments  
24 determined by the retirement board not more frequently than  
25 annually. [Such determination shall be based on advice of the  
26 plan's actuary that the increase in the benefit will not cause  
27 the present value of anticipated future plan benefits, calculated  
28 on the actuarial assumptions used for the most recent annual

1 valuation, to exceed the sum of the trust fund assets plus the  
2 present value of anticipated contributions to the trust fund.]

3 3. [In determining and granting the cost-of-living  
4 adjustments under this section, the retirement board shall adopt  
5 such rules and regulations as may be necessary to effectuate the  
6 purposes of this section, including provisions for the manner of  
7 computation of such adjustments and the effective dates thereof.  
8 The retirement board shall provide for such adjustments to be  
9 determined once each year and granted on a date or dates to be  
10 chosen by the board. The retirement board shall not be required  
11 to prorate the initial adjustment to any supplemental retirement  
12 benefit or any supplemental compensation under this section for  
13 any member.

14 4.] For purposes of subsections 1 and 2 of this section, the  
15 term "member" shall include a surviving spouse entitled to a  
16 benefit under sections 86.900 to 86.1280 who shall be deemed to  
17 have retired for purposes of this section on the date of  
18 retirement of the member of whom such person is the surviving  
19 spouse or on the date of death of such member if such member died  
20 prior to retirement; provided, that if the surviving spouse of  
21 any member who retired prior to August 28, 2000, shall not have  
22 remarried prior to August 28, 2000, but remarries thereafter,  
23 such surviving spouse shall thereafter receive benefits under  
24 subsection 2 of this section, and provided further, that no  
25 benefits shall be payable under this section to the surviving  
26 spouse of any member who retired prior to August 28, 2000, if  
27 such surviving spouse was at any time remarried after the  
28 member's death and prior to August 28, 2000. All benefits

1 payable to a surviving spouse under this section shall be in  
2 addition to all other benefits to which such surviving spouse may  
3 be entitled under other provisions of sections 86.900 to 86.1280.  
4 Any such surviving spouse of a member who dies while entitled to  
5 payments under this section shall succeed to the full amount of  
6 payment under this section to which such member was entitled at  
7 the time of such member's death, including any cost-of-living  
8 adjustments received by such member in the payment under this  
9 section prior to such member's death. In all events, the term  
10 "member" shall not include any children of the member who would  
11 be entitled to receive part or all of the pension which would be  
12 received by a surviving spouse if living.

13 4. Any member who is receiving benefits from the retirement  
14 system and who either was retired under the provisions of  
15 subdivision (1) of subsection 1 of section 86.1150, or who  
16 retired before August 28, 2001, under the provisions of section  
17 86.1180 or section 86.1200, shall, upon application to the  
18 retirement board, be retained as a consultant. For such services  
19 such member shall receive each month in addition to such member's  
20 base pension and cost-of-living adjustments thereto under section  
21 86.1220, and in addition to any other compensation or benefit to  
22 which such member may be entitled under sections 86.900 to  
23 86.1280, an equalizing supplemental compensation of ten dollars  
24 per month. This appointment as a consultant shall in no way  
25 affect any member's eligibility for retirement benefits under the  
26 provisions of sections 86.900 to 86.1280, or in any way have the  
27 effect of reducing retirement benefits otherwise payable to such  
28 member. The amount of equalizing supplemental compensation under

1 this subsection may be adjusted by cost-of-living adjustments,  
2 determined by the retirement board not more frequently than  
3 annually, but in no event shall the aggregate of such equalizing  
4 supplemental compensation together with all such cost-of-living  
5 adjustments thereto exceed twenty-five percent of the member's  
6 base pension. Each cost-of-living adjustment to compensation  
7 under this subsection shall be determined independently of any  
8 cost-of-living adjustment to any other benefit under sections  
9 86.900 to 86.1280. For the purposes of this subsection, the term  
10 "member" shall include a surviving spouse entitled to benefits  
11 under the provisions of section 86.900 to 86.1280, and who is the  
12 surviving spouse of a member who qualified, or would have  
13 qualified if living, for compensation under this subsection.  
14 Such surviving spouse shall, upon application to the retirement  
15 board, be retained as a consultant, and for such services shall  
16 be compensated in an amount equal to the compensation which would  
17 have been received by the member under this subsection, if  
18 living. Any such surviving spouse of a member who dies while  
19 entitled to payments under this subsection shall succeed to the  
20 full amount of payment under this subsection to which such member  
21 was entitled at the time of such member's death, including any  
22 cost-of-living adjustments received by such member in the payment  
23 under this subsection prior to such member's death. In all  
24 events, the term "member" shall not include any children of the  
25 member who would be entitled to receive part or all of the  
26 pension that would be received by a surviving spouse, if living.  
27 5. A surviving spouse who is entitled to benefits under the  
28 provisions of subsection 1 of section 86.1240 as a result of the

1 death prior to August 28, 2007, of a member in service, and who  
2 is receiving benefits from the retirement system, shall, upon  
3 application to the retirement board, be retained as a consultant,  
4 and for such services such surviving spouse shall receive each  
5 month an equalizing supplemental compensation of ten dollars per  
6 month. A surviving spouse entitled to benefits under the  
7 provisions of subsection 1 of section 86.1240 as a result of the  
8 death of a member in service on or after August 28, 2007, shall  
9 receive each month an equalizing supplemental benefit of ten  
10 dollars per month. All benefits payable to a surviving spouse  
11 under this subsection shall be in addition to all other benefits  
12 to which such surviving spouse may be entitled under other  
13 provisions of sections 86.900 to 86.1280 and shall in no way have  
14 the effect of reducing benefits otherwise payable to such  
15 surviving spouse. The amount of equalizing supplemental benefit  
16 or equalizing supplemental compensation under this subsection may  
17 be adjusted by cost-of-living adjustments, determined by the  
18 retirement board not more frequently than annually, but in no  
19 event shall the aggregate of such equalizing supplemental benefit  
20 or compensation together with all such cost-of-living adjustments  
21 thereto exceed twenty-five percent of the base pension of the  
22 surviving spouse. Each cost-of-living adjustment to an  
23 equalizing supplemental benefit or compensation under this  
24 subsection shall be determined independently of any cost-of-  
25 living adjustment to any other benefit under sections 86.900 to  
26 86.1280. In all events the term "surviving spouse" as used in  
27 this subsection shall not include any children of the member who  
28 would be entitled to receive part or all of the pension that

1 would be received by a surviving spouse, if living.

2 6. In determining and granting the cost-of-living  
3 adjustments under this section, the retirement board shall adopt  
4 such rules and regulations as may be necessary to effectuate the  
5 purposes of this section, including provisions for the manner of  
6 computation of such adjustments and the effective dates thereof.  
7 The retirement board shall provide for such adjustments to be  
8 determined once each year and granted on a date or dates to be  
9 chosen by the board. The retirement board shall not be required  
10 to prorate the initial adjustment to any benefit or compensation  
11 under this section for any member.

12 [5.] 7. The determination of whether the retirement system  
13 will remain actuarially sound shall be made at the time any  
14 cost-of-living adjustment under this section is granted. If at  
15 any time the retirement system ceases to be actuarially sound,  
16 [supplemental retirement] any benefit [payments under subsection  
17 1 of this section and supplemental] or compensation payments [as  
18 a consultant under subsection 2 of] provided under this section  
19 shall continue as adjusted by increases or decreases theretofore  
20 granted. A member of the retirement board shall have no personal  
21 liability for granting increases under this section if that  
22 retirement board member in good faith relied and acted upon  
23 advice of a qualified actuary that the retirement system would  
24 remain actuarially sound.

25 86.1600. 1. Any member who retires subsequent to August  
26 28, 1997, and on or before August 28, 2007, with entitlement to a  
27 pension under sections 86.1310 to 86.1640, and any member who  
28 retires subsequent to August 28, 2007, with entitlement to a

1 pension under sections 86.1310 to 86.1640 and who either has at  
2 least fifteen years of creditable service or is retired under  
3 subsection 1 of section 86.1560, shall receive each month, in  
4 addition to such member's base pension and cost-of-living  
5 adjustments thereto under section 86.1590, and in addition to any  
6 other compensation or benefit to which such member may be  
7 entitled under sections 86.1310 to 86.1640, a supplemental  
8 retirement benefit of fifty dollars per month. The amount of  
9 such supplemental retirement benefit may be adjusted by  
10 cost-of-living adjustments determined by the retirement board not  
11 more frequently than annually. [Such determination shall be  
12 based on advice of the plan's actuary that the increase in the  
13 benefit will not cause the present value of anticipated future  
14 plan benefits, calculated on the actuarial assumptions used for  
15 the most recent annual valuation, to exceed the sum of the trust  
16 fund assets plus the present value of anticipated contributions  
17 to the trust fund.]

18 2. Any member who was retired on or before August 28, 1997,  
19 and is receiving retirement benefits from the retirement system  
20 shall, upon application to the retirement board, be retained as a  
21 consultant, and for such services such member shall receive each  
22 month, in addition to such member's base pension and  
23 cost-of-living adjustments thereto under section 86.1590, and in  
24 addition to any other compensation or benefit to which such  
25 member may be entitled under sections 86.1310 to 86.1640, a  
26 supplemental compensation in the amount of fifty dollars per  
27 month. This appointment as a consultant shall in no way affect  
28 any member's eligibility for retirement benefits under the

1 provisions of sections 86.1310 to 86.1640, or in any way have the  
2 effect of reducing retirement benefits otherwise payable to such  
3 member. The amount of such supplemental compensation under this  
4 subsection may be adjusted by cost-of-living adjustments  
5 determined by the retirement board not more frequently than  
6 annually. [Such determination shall be based on advice of the  
7 plan's actuary that the increase in the benefit will not cause  
8 the present value of anticipated future plan benefits, calculated  
9 on the actuarial assumptions used for the most recent annual  
10 valuation, to exceed the sum of the trust fund assets plus the  
11 present value of anticipated contributions to the trust fund.]

12 3. In determining and granting the cost-of-living  
13 adjustments under this section, the retirement board shall adopt  
14 such rules and regulations as may be necessary to effectuate the  
15 purposes of this section, including provisions for the manner of  
16 computation of such adjustments and the effective dates thereof.  
17 The retirement board shall provide for such adjustments to be  
18 determined once each year and granted on a date or dates to be  
19 chosen by the board. The retirement board shall not be required  
20 to prorate the initial adjustment to any supplemental retirement  
21 benefit or any supplemental compensation under this section for  
22 any member.

23 4. For purposes of subsections 1 and 2 of this section, the  
24 term "member" shall include a surviving spouse who is entitled to  
25 a benefit under sections 86.1310 to 86.1640, who shall be deemed  
26 to have retired for purposes of this section on the date of  
27 retirement of the member of whom such person is the surviving  
28 spouse or on the date of death of such member if such member died

1 prior to retirement; provided, that no benefits shall be payable  
2 under this section to the surviving spouse of any member who died  
3 while in active service after August 28, 2007, unless such death  
4 occurred in the line of duty or course of employment or as the  
5 result of an injury or illness incurred in the line of duty or  
6 course of employment or unless such member had at least fifteen  
7 years of creditable service. The surviving spouse of a member  
8 who died in service after August 28, 2007, whose death occurred  
9 in the line of duty or course of employment or as the result of  
10 an injury or illness incurred in the line of duty or course of  
11 employment shall be entitled to benefits under subsection 1 of  
12 this section without regard to such member's years of creditable  
13 service. All benefits payable to a surviving spouse under this  
14 section shall be in addition to all other benefits to which such  
15 surviving spouse may be entitled under other provisions of  
16 sections 86.1310 to 86.1640. Any [such] qualifying surviving  
17 spouse of a member who dies while entitled to payments under this  
18 section shall succeed to the full amount of payment under this  
19 section to which such member was entitled at the time of such  
20 member's death, including any cost-of-living adjustments received  
21 by such member in the payment under this section prior to such  
22 member's death.

23 5. The determination of whether the retirement system will  
24 remain actuarially sound shall be made at the time any  
25 cost-of-living adjustment under this section is granted. If at  
26 any time the retirement system ceases to be actuarially sound,  
27 supplemental retirement benefit payments under subsection 1 of  
28 this section and supplemental compensation payments as a

1 consultant under subsection 2 of this section shall continue as  
2 adjusted by increases or decreases theretofore granted. A member  
3 of the retirement board shall have no personal liability for  
4 granting increases under this section if that retirement board  
5 member in good faith relied and acted upon advice of a qualified  
6 actuary that the retirement system would remain actuarially  
7 sound.

8 87.006. 1. Notwithstanding the provisions of any law to  
9 the contrary, and only for the purpose of computing retirement  
10 benefits provided by an established retirement plan, after five  
11 years' service, any condition of impairment of health caused by  
12 any disease of the lungs or respiratory tract, hypotension,  
13 hypertension, or disease of the heart resulting in total or  
14 partial disability or death to a uniformed member of a paid fire  
15 department, who successfully passed a physical examination within  
16 five years prior to the time a claim is made for such disability  
17 or death, which examination failed to reveal any evidence of such  
18 condition, shall be presumed to have been suffered in line of  
19 duty, unless the contrary be shown by competent evidence.

20 2. Any condition of cancer affecting the skin or the  
21 central nervous, lymphatic, digestive, hematological, urinary,  
22 skeletal, oral, breast, testicular, genitourinary, liver or  
23 prostate systems, as well as any condition of cancer which may  
24 result from exposure to heat or radiation or to a known or  
25 suspected carcinogen as determined by the International Agency  
26 for Research on Cancer, which results in the total or partial  
27 disability or death to a uniformed member of a paid fire  
28 department who successfully passed a physical examination within

1 five years prior to the time a claim is made for disability or  
2 death, which examination failed to reveal any evidence of such  
3 condition, shall be presumed to have been suffered in the line of  
4 duty unless the contrary be shown by competent evidence and it  
5 can be proven to a reasonable degree of medical certainty that  
6 the condition did not result nor was contributed to by the  
7 voluntary use of tobacco.

8 3. This section shall apply to paid members of all fire  
9 departments of all counties, cities, towns, fire districts and  
10 other governmental units.

11 94.579. 1. Any home rule city with more than one hundred  
12 fifty-one thousand five hundred but fewer than one hundred  
13 fifty-one thousand six hundred inhabitants with a retirement plan  
14 whose actuary determines that the plan has a funded ratio below  
15 sixty percent and the political subdivision has failed to make  
16 one hundred percent of the actuarially required contribution  
17 payment for three successive plan years with a descending funded  
18 ratio for three successive plan years after August 28, 2007,  
19 shall be deemed delinquent in the contribution payment. If this  
20 occurs, the governing body of such city is hereby authorized to  
21 impose, by order or ordinance, a sales tax on all retail sales  
22 made within the city which are subject to sales tax under chapter  
23 144, RSMo. The tax authorized in this section shall not exceed  
24 one percent, and shall be imposed solely for the purpose of  
25 providing revenues for the operation of public safety  
26 departments, including police and fire departments, and for  
27 pension programs, and health care for employees and pensioners of  
28 the public safety departments. The tax authorized in this

1 section shall be in addition to all other sales taxes imposed by  
2 law, and shall be stated separately from all other charges and  
3 taxes. The order or ordinance shall not become effective unless  
4 the governing body of the city submits to the voters residing  
5 within the city at a state general, primary, or special election  
6 a proposal to authorize the governing body of the city to impose  
7 a tax under this section. If the tax authorized in this section  
8 is not approved by the voters, then the city shall have an  
9 additional year during which to meet its required contribution  
10 payment beyond the time period described in section 105.683,  
11 RSMo. If the city meets its required contribution payment in  
12 this time, then, notwithstanding the provisions of section  
13 105.683, RSMo, to the contrary, the delinquency shall not  
14 constitute a lien on the funds of the political subdivision, the  
15 board of such plan shall not be authorized to compel payment by  
16 application for writ of mandamus, and the state treasurer and the  
17 director of the department of revenue shall not withhold twenty-  
18 five percent of the certified contribution deficiency from the  
19 total moneys due the political subdivision from the state. The  
20 one-year extension shall only be available to the city on a one-  
21 time basis.

22 2. The ballot of submission for the tax authorized in this  
23 section shall be in substantially the following form:

24 Shall ..... (insert the name of the city) impose a sales  
25 tax at a rate of ..... (up to one) percent, solely for the  
26 purpose of providing revenues for the operation of public safety  
27 departments of the city?

28  YES  NO

1 If you are in favor of the question, place an "X" in the box  
2 opposite "YES". If you are opposed to the question, place an "X"  
3 in the box opposite "NO".

4  
5 If a majority of the votes cast on the question by the qualified  
6 voters voting thereon are in favor of the question, then the tax  
7 shall become effective on the first day of the second calendar  
8 quarter immediately following notification to the department of  
9 revenue. If a majority of the votes cast on the question by the  
10 qualified voters voting thereon are opposed to the question, then  
11 the tax shall not become effective unless and until the question  
12 is resubmitted under this section to the qualified voters and  
13 such question is approved by a majority of the qualified voters  
14 voting on the question.

15 3. All revenue collected under this section by the director  
16 of the department of revenue on behalf of any city, except for  
17 one percent for the cost of collection which shall be deposited  
18 in the state's general revenue fund, shall be deposited in a  
19 special trust fund, which is hereby created and shall be known as  
20 the "Public Safety Protection Sales Tax Fund", and shall be used  
21 solely for the designated purposes. Moneys in the fund shall not  
22 be deemed to be state funds, and shall not be commingled with any  
23 funds of the state. The director may make refunds from the  
24 amounts in the trust fund and credited to the city for erroneous  
25 payments and overpayments made, and may redeem dishonored checks  
26 and drafts deposited to the credit of such city. Any funds in  
27 the special trust fund which are not needed for current  
28 expenditures shall be invested in the same manner as other funds

1 are invested. Any interest and moneys earned on such investments  
2 shall be credited to the fund. The director shall keep accurate  
3 records of the amounts in the fund, and such records shall be  
4 open to the inspection of the officers of such city and to the  
5 public. Not later than the tenth day of each month, the director  
6 shall distribute all moneys deposited in the fund during the  
7 preceding month to the city. Such funds shall be deposited with  
8 the treasurer of the city, and all expenditures of moneys from  
9 the fund shall be by an appropriation ordinance enacted by the  
10 governing body of the city.

11 4. On or after the effective date of the tax, the director  
12 of revenue shall be responsible for the administration,  
13 collection, enforcement, and operation of the tax, and sections  
14 32.085 and 32.087, RSMo, shall apply. In order to permit sellers  
15 required to collect and report the sales tax to collect the  
16 amount required to be reported and remitted, but not to change  
17 the requirements of reporting or remitting the tax, or to serve  
18 as a levy of the tax, and in order to avoid fractions of pennies,  
19 the governing body of the city may authorize the use of a bracket  
20 system similar to that authorized in section 144.285, RSMo, and  
21 notwithstanding the provisions of that section, this new bracket  
22 system shall be used where this tax is imposed and shall apply to  
23 all taxable transactions. Beginning with the effective date of  
24 the tax, every retailer in the city shall add the sales tax to  
25 the sale price, and this tax shall be a debt of the purchaser to  
26 the retailer until paid, and shall be recoverable at law in the  
27 same manner as the purchase price. For purposes of this section,  
28 all retail sales shall be deemed to be consummated at the place

1 of business of the retailer.

2 5. All applicable provisions in sections 144.010 to  
3 144.525, RSMo, governing the state sales tax, and section 32.057,  
4 RSMo, the uniform confidentiality provision, shall apply to the  
5 collection of the tax, and all exemptions granted to agencies of  
6 government, organizations, and persons under sections 144.010 to  
7 144.525, RSMo, are hereby made applicable to the imposition and  
8 collection of the tax. The same sales tax permit, exemption  
9 certificate, and retail certificate required by sections 144.010  
10 to 144.525, RSMo, for the administration and collection of the  
11 state sales tax shall satisfy the requirements of this section,  
12 and no additional permit or exemption certificate or retail  
13 certificate shall be required; except that, the director of  
14 revenue may prescribe a form of exemption certificate for an  
15 exemption from the tax. All discounts allowed the retailer under  
16 the state sales tax for the collection of and for payment of  
17 taxes are hereby allowed and made applicable to the tax. The  
18 penalties for violations provided in section 32.057, RSMo, and  
19 sections 144.010 to 144.525, RSMo, are hereby made applicable to  
20 violations of this section. If any person is delinquent in the  
21 payment of the amount required to be paid under this section, or  
22 in the event a determination has been made against the person for  
23 the tax and penalties under this section, the limitation for  
24 bringing suit for the collection of the delinquent tax and  
25 penalties shall be the same as that provided in sections 144.010  
26 to 144.525, RSMo.

27 6. The governing body of any city that has adopted the  
28 sales tax authorized in this section may submit the question of

1 repeal of the tax to the voters on any date available for  
2 elections for the city. The ballot of submission shall be in  
3 substantially the following form:

4       Shall ..... (insert the name of the city) repeal the sales  
5 tax imposed at a rate of ..... (up to one) percent for the  
6 purpose of providing revenues for the operation of public safety  
7 departments of the city?

8                    YES                                   NO

9 If you are in favor of the question, place an "X" in the box  
10 opposite "YES". If you are opposed to the question, place an "X"  
11 in the box opposite "NO".

12  
13 If a majority of the votes cast on the question by the qualified  
14 voters voting thereon are in favor of repeal, that repeal shall  
15 become effective on December thirty-first of the calendar year in  
16 which such repeal was approved. If a majority of the votes cast  
17 on the question by the qualified voters voting thereon are  
18 opposed to the repeal, then the sales tax authorized in this  
19 section shall remain effective until the question is resubmitted  
20 under this section to the qualified voters and the repeal is  
21 approved by a majority of the qualified voters voting on the  
22 question.

23       7. The governing body of any city that has adopted the  
24 sales tax authorized in this section shall submit the question of  
25 repeal of the tax to the voters every five years from the date of  
26 its inception on a date available for elections for the city.  
27 The ballot of submission shall be in substantially the following  
28 form:



1 the repeal, the repeal shall become effective on December  
2 thirty-first of the calendar year in which such repeal was  
3 approved. If a majority of the votes cast on the question by the  
4 qualified voters voting thereon are opposed to the repeal, then  
5 the sales tax authorized in this section shall remain effective  
6 until the question is resubmitted under this section to the  
7 qualified voters and the repeal is approved by a majority of the  
8 qualified voters voting on the question.

9 9. If the tax is repealed or terminated by any means, all  
10 funds remaining in the special trust fund shall continue to be  
11 used solely for the designated purposes, and the city shall  
12 notify the director of the department of revenue of the action at  
13 least ninety days before the effective date of the repeal and the  
14 director may order retention in the trust fund, for a period of  
15 one year, of two percent of the amount collected after receipt of  
16 such notice to cover possible refunds or overpayment of the tax  
17 and to redeem dishonored checks and drafts deposited to the  
18 credit of such accounts. After one year has elapsed after the  
19 effective date of abolition of the tax in such city, the director  
20 shall remit the balance in the account to the city and close the  
21 account of that city. The director shall notify each city of  
22 each instance of any amount refunded or any check redeemed from  
23 receipts due the city.

24 103.080. 1. As used in this section, the following terms  
25 shall mean:

26 (1) "Health savings account" or "account", shall have the  
27 same meaning ascribed to it as in 26 U.S.C. Section 223(d), as  
28 amended;

1 (2) "High deductible health plan", a policy or contract of  
2 health insurance or health care plan that meets the criteria  
3 established in 26 U.S.C. Section 223(c)(2), as amended, and any  
4 regulations promulgated thereunder.

5 2. Beginning with the open enrollment period for the 2009  
6 plan year, the board shall offer to all qualified state employees  
7 and retirees, in addition to the plans currently offered  
8 including but not limited to health maintenance organization  
9 plans, preferred provider organization plans, copay plans, and  
10 participating public entities the option of receiving health care  
11 coverage through a high deductible health plan and the  
12 establishment of a health savings account. In no instance shall  
13 a qualified employee be required to enroll in a high deductible  
14 health plan with a deductible greater than the minimum allowed by  
15 law, however, a qualified employee or retiree shall have the  
16 option to enroll in a high deductible health plan up to the  
17 maximum allowed by law. The health savings account shall conform  
18 to the guidelines to be established by the Internal Revenue  
19 Service for the 2009 tax year but in no case shall a qualified  
20 employee or retiree be required to contribute more than the  
21 minimum amount allowed by law. A qualified employee or retiree  
22 may contribute up to the maximum allowed by law. In order for a  
23 qualified individual to obtain a high deductible health plan  
24 through the Missouri consolidated health care plan, such  
25 individual shall present evidence, in a manner prescribed by  
26 regulation, to the board that he or she has established a health  
27 savings account in compliance with 26 U.S.C. Section 223, and any  
28 amendments and regulations promulgated thereto.

1       3. The board is authorized to promulgate rules and  
2 regulations for the administration and implementation of this  
3 section. Any rule or portion of a rule, as that term is defined  
4 in section 536.010, RSMo, that is created under the authority  
5 delegated in this section shall become effective only if it  
6 complies with and is subject to all of the provisions of chapter  
7 536, RSMo, and, if applicable, section 536.028, RSMo. This  
8 section and chapter 536, RSMo, are nonseverable and if any of the  
9 powers vested with the general assembly pursuant to chapter 536,  
10 RSMo, to review, to delay the effective date, or to disapprove  
11 and annul a rule are subsequently held unconstitutional, then the  
12 grant of rulemaking authority and any rule proposed or adopted  
13 after August 28, 2007, shall be invalid and void.

14       4. The board shall issue a request for proposals from  
15 companies interested in offering a high deductible health plan in  
16 connection with a health savings account.

17       103.085. Except as otherwise provided by sections 103.003  
18 to ~~[103.175]~~ 103.080, medical benefits coverage as provided by  
19 sections 103.003 to ~~[103.175]~~ 103.080 shall terminate when the  
20 member ceases to be an active employee; except persons receiving  
21 or entitled to receive an annuity or retirement benefit or  
22 disability benefit or the spouse of or unemancipated children of  
23 deceased persons receiving or entitled to receive an annuity or  
24 retirement benefit or disability benefit from the state,  
25 participating member agency, institution, political subdivision  
26 or governmental entity may elect to continue coverage, provided  
27 the individuals to be covered have been continuously covered for  
28 health care benefits:

1 (1) Under a separate group or individual policy for the  
2 six-month period immediately preceding the member's date of death  
3 or disability or eligibility for normal or early retirement; or

4 (2) Pursuant to sections 103.003 to ~~[103.175]~~ 103.080,  
5 since the effective date of the most recent open enrollment  
6 period prior to the member's date of death or disability or  
7 eligibility for normal or early retirement; or

8 (3) From the initial date of eligibility for the benefits  
9 provided by sections 103.003 to ~~[103.175]~~ 103.080; or

10 (4) Within sixty days of a loss of group coverage, provided  
11 that such coverage was in place for at least twelve consecutive  
12 months immediately prior to the loss and that such loss was due  
13 to the dependent's termination of employment or termination of  
14 group coverage by the dependent's employer. This subdivision  
15 only applies to qualifying dependents of members receiving or  
16 entitled to receive an annuity or retirement benefit from the  
17 state, participating member agency, institution, political  
18 subdivision, or governmental entity.

19  
20 Cost for coverage continued pursuant to this section shall be  
21 determined by the board. If an eligible person does not elect to  
22 continue the coverage within thirty-one days of the first day of  
23 the month following the date on which the eligible person ceases  
24 to be an employee, he or she may not later elect to be covered  
25 pursuant to this section.

26 104.010. 1. The following words and phrases as used in  
27 sections 104.010 to 104.800, unless a different meaning is  
28 plainly required by the context, shall mean:

1           (1) "Accumulated contributions", the sum of all deductions  
2 for retirement benefit purposes from a member's compensation  
3 which shall be credited to the member's individual account and  
4 interest allowed thereon;

5           (2) "Active armed warfare", any declared war, or the Korean  
6 or Vietnamese Conflict;

7           (3) "Actuarial equivalent", a benefit which, when computed  
8 upon the basis of actuarial tables and interest, is equal in  
9 value to a certain amount or other benefit;

10          (4) "Actuarial tables", the actuarial tables approved and  
11 in use by a board at any given time;

12          (5) "Actuary", the actuary who is a member of the American  
13 Academy of Actuaries or who is an enrolled actuary under the  
14 Employee Retirement Income Security Act of 1974 and who is  
15 employed by a board at any given time;

16          (6) "Annuity", annual payments, made in equal monthly  
17 installments, to a retired member from funds provided for in, or  
18 authorized by, this chapter;

19          (7) "Average compensation", the average compensation of a  
20 member for the thirty-six consecutive months of service prior to  
21 retirement when the member's compensation was greatest; or if the  
22 member is on workers' compensation leave of absence or a medical  
23 leave of absence due to an employee illness, the amount of  
24 compensation the member would have received may be used, as  
25 reported and verified by the employing department; or if the  
26 member had less than thirty-six months of service, the average  
27 annual compensation paid to the member during the period up to  
28 thirty-six months for which the member received creditable

1 service when the member's compensation was the greatest; or if  
2 the member is on military leave, the amount of compensation the  
3 member would have received may be used as reported and verified  
4 by the employing department or, if such amount is not  
5 determinable, the amount of the employee's average rate of  
6 compensation during the twelve-month period immediately preceding  
7 such period of leave, or if shorter, the period of employment  
8 immediately preceding such period of leave. The board of each  
9 system may promulgate rules for purposes of calculating average  
10 compensation and other retirement provisions to accommodate for  
11 any state payroll system in which compensation is received on a  
12 monthly, semimonthly, biweekly, or other basis;

13 (8) "Beneficiary", any person entitled to or nominated by a  
14 member or retiree who may be legally entitled to receive benefits  
15 pursuant to this chapter;

16 (9) "Biennial assembly", the completion of no less than two  
17 years of creditable service or creditable prior service by a  
18 member of the general assembly;

19 (10) "Board of trustees", "board", or "trustees", a board  
20 of trustees as established for the applicable system pursuant to  
21 this chapter;

22 (11) "Chapter", sections 104.010 to 104.800;

23 (12) "Compensation":

24 (a) All salary and wages payable out of any state, federal,  
25 trust, or other funds to an employee for personal services  
26 performed for a department; but including only amounts for which  
27 contributions have been made in accordance with section 104.436,  
28 or section 104.070, whichever is applicable, and excluding any

1 nonrecurring single sum payments or amounts paid after the  
2 member's termination of employment unless such amounts paid after  
3 such termination are a final installment of salary or wages at  
4 the same rate as in effect immediately prior to termination of  
5 employment in accordance with a state payroll system adopted on  
6 or after January 1, 2000, or any other one-time payments made as  
7 a result of such payroll system;

8 (b) All salary and wages which would have been payable out  
9 of any state, federal, trust or other funds to an employee on  
10 workers' compensation leave of absence during the period the  
11 employee is receiving a weekly workers' compensation benefit, as  
12 reported and verified by the employing department;

13 (c) Effective December 31, 1995, compensation in excess of  
14 the limitations set forth in Internal Revenue Code Section  
15 401(a)(17) shall be disregarded. The limitation on compensation  
16 for eligible employees shall not be less than the amount which  
17 was allowed to be taken into account under the system as in  
18 effect on July 1, 1993. For this purpose, an "eligible employee"  
19 is an individual who was a member of the system before the first  
20 plan year beginning after December 31, 1995;

21 (13) "Consumer price index", the Consumer Price Index for  
22 All Urban Consumers for the United States, or its successor  
23 index, as approved by a board, as such index is defined and  
24 officially reported by the United States Department of Labor, or  
25 its successor agency;

26 (14) "Creditable prior service", the service of an employee  
27 which was either rendered prior to the establishment of a system,  
28 or prior to the date the employee last became a member of a

1 system, and which is recognized in determining the member's  
2 eligibility and for the amount of the member's benefits under a  
3 system;

4 (15) "Creditable service", the sum of membership service  
5 and creditable prior service, to the extent such service is  
6 standing to a member's credit as provided in this chapter; except  
7 that in no case shall more than one day of creditable service or  
8 creditable prior service be credited any member for any one  
9 calendar day of eligible service credit as provided by law;

10 (16) "Deferred normal annuity", the annuity payable to any  
11 former employee who terminated employment as an employee or  
12 otherwise withdrew from service with a vested right to a normal  
13 annuity, payable at a future date;

14 (17) "Department", any department or agency of the  
15 executive, legislative or judicial branch of the state of  
16 Missouri receiving state appropriations, including allocated  
17 funds from the federal government but not including any body  
18 corporate or politic unless its employees are eligible for  
19 retirement coverage from a system pursuant to this chapter as  
20 otherwise provided by law;

21 (18) "Disability benefits", benefits paid to any employee  
22 while totally disabled as provided in this chapter;

23 (19) "Early retirement age", a member's attainment of  
24 fifty-five years of age and the completion of ten or more years  
25 of creditable service, except for uniformed members of the water  
26 patrol;

27 (20) "Employee":

28 (a) Any elective or appointive officer or person employed

1 by the state who is employed, promoted or transferred by a  
2 department into a new or existing position and earns a salary or  
3 wage in a position normally requiring the performance by the  
4 person of duties during not less than one thousand forty hours  
5 per year, including each member of the general assembly but not  
6 including any patient or inmate of any state, charitable, penal  
7 or correctional institution. [Beginning September 1, 2001, the  
8 term "year" as used in this subdivision shall mean the  
9 twelve-month period beginning on the first day of employment.]

10 However, persons who are members of the public school retirement  
11 system and who are employed by a state agency other than an  
12 institution of higher learning shall be deemed employees for  
13 purposes of participating in all insurance programs administered  
14 by a board established pursuant to section 104.450. This  
15 definition shall not exclude any employee as defined in this  
16 subdivision who is covered only under the federal Old Age and  
17 Survivors' Insurance Act, as amended. As used in this chapter,  
18 the term "employee" shall include:

19 a. Persons who are currently receiving annuities or other  
20 retirement benefits from some other retirement or benefit fund,  
21 so long as they are not simultaneously accumulating creditable  
22 service in another retirement or benefit system which will be  
23 used to determine eligibility for or the amount of a future  
24 retirement benefit;

25 b. Persons who have elected to become or who have been made  
26 members of a system pursuant to section 104.342;

27 (b) Any person who is not a retiree and has performed  
28 services in the employ of the general assembly or either house

1     thereof, or any employee of any member of the general assembly  
2     while acting in the person's official capacity as a member, and  
3     whose position does not normally require the person to perform  
4     duties during at least one thousand forty hours per year, with a  
5     month of service being any monthly pay period in which the  
6     employee was paid for full-time employment for that monthly  
7     period; except that persons described in this paragraph shall not  
8     include any such persons who are employed on or after August 28,  
9     2007, and who have not previously been employed in such  
10    positions;

11           (c) "Employee" does not include special consultants  
12     employed pursuant to section 104.610;

13           (d) [As used in this chapter, the hours governing the  
14     definition of employee shall be applied only from August 13,  
15     1988, forward;

16           (e)] The system shall consider a person who is employed in  
17     multiple positions simultaneously within a single agency to be  
18     working in a single position for purposes of determining whether  
19     the person is an employee as defined in this subdivision;

20           (21) "Employer", a department of the state;

21           (22) "Executive director", the executive director employed  
22     by a board established pursuant to the provisions of this  
23     chapter;

24           (23) "Fiscal year", the period beginning July first in any  
25     year and ending June thirtieth the following year;

26           (24) "Full biennial assembly", the period of time beginning  
27     on the first day the general assembly convenes for a first  
28     regular session until the last day of the following year;

1 (25) "Fund", the benefit fund of a system established  
2 pursuant to this chapter;

3 (26) "Interest", interest at such rate as shall be  
4 determined and prescribed from time to time by a board;

5 (27) "Member", as used in sections 104.010 to 104.272 or  
6 104.601 to 104.800 shall mean [a member of the highways and  
7 transportation employees' and highway patrol retirement system  
8 without regard to whether or not the member has been retired] an  
9 employee, retiree, or former employee entitled to a deferred  
10 annuity covered by the Missouri department of transportation and  
11 highway patrol employees' retirement system. "Member", as used  
12 in this section and sections 104.312 to 104.800, shall mean [a  
13 member of] an employee, retiree, or former employee entitled to  
14 deferred annuity covered by the Missouri state employees'  
15 retirement system [without regard to whether or not the member  
16 has been retired];

17 (28) "Membership service", the service after becoming a  
18 member that is recognized in determining a member's eligibility  
19 for and the amount of a member's benefits under a system;

20 (29) "Military service", all active service performed in  
21 the United States Army, Air Force, Navy, Marine Corps, Coast  
22 Guard, and members of the United States Public Health Service or  
23 any women's auxiliary thereof; and service in the Army national  
24 guard and Air national guard when engaged in active duty for  
25 training, inactive duty training or full-time national guard  
26 duty, and service by any other category of persons designated by  
27 the President in time of war or emergency;

28 (30) "Normal annuity", the annuity provided to a member

1 upon retirement at or after the member's normal retirement age;  
2 (31) "Normal retirement age", an employee's attainment of  
3 sixty-five years of age and the completion of four years of  
4 creditable service or the attainment of age sixty-five years of  
5 age and the completion of five years of creditable service by a  
6 member who has terminated employment and is entitled to a  
7 deferred normal annuity or the member's attainment of age sixty  
8 and the completion of fifteen years of creditable service, except  
9 that normal retirement age for uniformed members of the highway  
10 patrol shall be fifty-five years of age and the completion of  
11 four years of creditable service and uniformed employees of the  
12 water patrol shall be fifty-five years of age and the completion  
13 of four years of creditable service or the attainment of age  
14 fifty-five and the completion of five years of creditable service  
15 by a member of the water patrol who has terminated employment and  
16 is entitled to a deferred normal annuity and members of the  
17 general assembly shall be fifty-five years of age and the  
18 completion of three full biennial assemblies. Notwithstanding  
19 any other provision of law to the contrary, a member of the  
20 highways and transportation employees' and highway patrol  
21 retirement system or a member of the Missouri state employees'  
22 retirement system shall be entitled to retire with a normal  
23 annuity and shall be entitled to elect any of the survivor  
24 benefit options and shall also be entitled to any other  
25 provisions of this chapter that relate to retirement with a  
26 normal annuity if the sum of the member's age and creditable  
27 service equals eighty years or more and if the member is at least  
28 forty-eight years of age;

1           (32) "Payroll deduction", deductions made from an  
2 employee's compensation;

3           (33) "Prior service credit", the service of an employee  
4 rendered prior to the date the employee became a member which  
5 service is recognized in determining the member's eligibility for  
6 benefits from a system but not in determining the amount of the  
7 member's benefit;

8           (34) "Reduced annuity", an actuarial equivalent of a normal  
9 annuity;

10          (35) "Retiree", a member who is not an employee and who is  
11 receiving an annuity from a system pursuant to this chapter;

12          (36) "System" or "retirement system", the [highways and  
13 transportation employees' and highway patrol retirement system]  
14 Missouri department of transportation and highway patrol  
15 employees' retirement system, as created by sections 104.010 to  
16 104.270, or sections 104.601 to 104.800, or the Missouri state  
17 employees' retirement system as created by sections 104.320 to  
18 104.800;

19          (37) "Uniformed members of the highway patrol", the  
20 superintendent, lieutenant colonel, majors, captains, director of  
21 radio, lieutenants, sergeants, corporals, and patrolmen of the  
22 Missouri state highway patrol who normally appear in uniform;

23          (38) "Uniformed members of the water patrol", employees of  
24 the Missouri state water patrol of the department of public  
25 safety who are classified as water patrol officers who have taken  
26 the oath of office prescribed by the provisions of chapter 306,  
27 RSMo, and who have those peace officer powers given by the  
28 provisions of chapter 306, RSMo;

1 (39) "Vesting service", the sum of a member's prior service  
2 credit and creditable service which is recognized in determining  
3 the member's eligibility for benefits under the system.

4 2. Benefits paid pursuant to the provisions of this chapter  
5 shall not exceed the limitations of Internal Revenue Code Section  
6 415, the provisions of which are hereby incorporated by  
7 reference. Notwithstanding any other law to the contrary, the  
8 board of trustees may establish a benefit plan under Section  
9 415(m) of the Internal Revenue Code of 1986, as amended. Such  
10 plan shall be created solely for the purposes described in  
11 Section 415(m) (3) (A) of the Internal Revenue Code of 1986, as  
12 amended. The board of trustees may promulgate regulations  
13 necessary to implement the provisions of this subsection and to  
14 create and administer such benefit plan.

15 104.040. 1. Any member shall be entitled to creditable  
16 prior service within the meaning of sections 104.010 to [104.270]  
17 104.272 for all service in the United States Army, Navy, or other  
18 armed services of the United States, or any women's auxiliary  
19 thereof in time of active armed warfare, if such member was a  
20 state employee immediately prior to his or her entry into the  
21 armed services and became an employee of the state within ninety  
22 days after termination of such service by an honorable discharge  
23 or release to inactive status; the requirement of section 104.010  
24 of duties during not less than one thousand hours for status as  
25 an "employee" shall not apply to persons who apply for creditable  
26 prior service pursuant to the provisions of this section. 2.  
27 Any member of the system who served as an employee prior to the  
28 original effective date of sections 104.010 to [104.270] 104.272,

1 but was not an employee on that date, shall be entitled to  
2 creditable prior service that such member would have been  
3 entitled to had such member become a member of the retirement  
4 system on the date of its inception if such member has, or  
5 hereafter attains, one year of continuous membership service.

6 3. Any employee who completes one continuous year of  
7 creditable service in the system shall receive credit for service  
8 with a state department, if such service has not otherwise been  
9 credited.

10 4. Any member who had served in the armed forces of the  
11 United States prior to becoming a member, or who is otherwise  
12 ineligible pursuant to subsection 1 of this section or other  
13 provisions of this chapter, and who became a member after his or  
14 her discharge under honorable conditions may elect, prior to  
15 retirement, to purchase all of his or her creditable prior  
16 service equivalent to such service in the armed forces, but not  
17 to exceed four years, if the member is not receiving and is not  
18 eligible to receive retirement credits or benefits from any other  
19 public or private retirement plan for the service to be  
20 purchased, and an affidavit so stating shall be filed by the  
21 member with the retirement system. However, if the member is  
22 eligible to receive retirement credits in a United States  
23 military service retirement system, the member shall be permitted  
24 to purchase creditable prior service equivalent to his or her  
25 service in the armed services, but not to exceed four years, any  
26 other provision of law to the contrary notwithstanding. The  
27 purchase shall be effected by the member's paying to the  
28 retirement system an amount equal to what would have been

1 contributed by the state in his or her behalf had the member been  
2 a member for the period for which the member is electing to  
3 purchase credit and had his or her compensation during such  
4 period of membership been the same as the annual salary rate at  
5 which the member was initially employed as a member, with the  
6 calculations based on the contribution rate in effect on the date  
7 of his or her employment with simple interest calculated from  
8 date of employment from which the member could first receive  
9 creditable service to the date of election pursuant to this  
10 subsection. The payment shall be made over a period of not  
11 longer than two years, measured from the date of election, and  
12 with simple interest on the unpaid balance. Payments made for  
13 such creditable prior service pursuant to this subsection shall  
14 be treated by the retirement system as would contributions made  
15 by the state and shall not be subject to any prohibition on  
16 member contributions or refund provisions in effect at the time  
17 of enactment of this subsection.

18 5. Any uniformed member of the highway patrol who served as  
19 a certified police officer prior to becoming a member may elect,  
20 prior to retirement, to purchase all of his or her creditable  
21 prior service equivalent to such service in the police force, but  
22 not to exceed four years, if he or she is not receiving and is  
23 not eligible to receive credits or benefits from any other public  
24 or private retirement plan for the service to be purchased, and  
25 an affidavit so stating shall be filed by the member with the  
26 retirement system. The purchase shall be effected by the  
27 member's paying to the retirement system an amount equal to what  
28 would have been contributed by the state in his or her behalf had

1 he or she been a member of the system for the period for which  
2 the member is electing to purchase credit and had his  
3 compensation during such period been the same as the annual  
4 salary rate at which the member was initially employed as a  
5 member, with the calculations based on the contribution rate in  
6 effect on the date of his or her employment with simple interest  
7 calculated from the date of employment from which the member  
8 could first receive creditable service to the date of election  
9 pursuant to the provisions of this section. The payment shall be  
10 made over a period of not longer than two years, measured from  
11 the date of election, and with simple interest on the unpaid  
12 balance. Payments made for such creditable prior service  
13 pursuant to the provisions of this section shall be treated by  
14 the retirement system as would contributions made by the state  
15 and shall not be subject to any prohibition on member  
16 contributions or refund provisions in effect at the time of  
17 enactment of this section.

18 6. Any [uniformed] member of the [highway patrol] system  
19 under section 104.030 or 104.170 who is an active employee and  
20 who served as a nonfederal full-time public employee in this  
21 state prior to becoming a member may elect, prior to retirement,  
22 to purchase all of his or her creditable prior service equivalent  
23 to such service, but not to exceed four years, if he or she is  
24 not receiving and is not eligible to receive credits or benefits  
25 from any other public plan for the service to be purchased[, and  
26 an affidavit so stating shall be filed by the member with the  
27 retirement system]. The purchase shall be effected by the  
28 member's paying to the retirement system an amount equal to what

1 would have been contributed by the state in his or her behalf had  
2 he or she been a member of the system for the period for which  
3 the member is electing to purchase credit and had his  
4 compensation during such period been the same as the annual  
5 salary rate at which the member was initially employed as a  
6 member, with the calculations based on the contribution rate in  
7 effect on the date of his or her employment with simple interest  
8 calculated from the date of employment from which the member  
9 could first receive creditable service to the date of election  
10 pursuant to the provisions of this section. The payment shall be  
11 made over a period of not longer than two years, measured from  
12 the date of election, and with simple interest on the unpaid  
13 balance. Payments made for such creditable prior service  
14 pursuant to the provisions of this section shall be treated by  
15 the retirement system as would contributions made by the state  
16 and shall not be subject to any prohibition on member  
17 contributions or refund provisions in effect at the time of  
18 enactment of this section. All purchase payments under this  
19 subsection must be completed prior to retirement or prior to  
20 termination of employment. If a member who purchased creditable  
21 service under this subsection dies prior to retirement, the  
22 surviving spouse may, upon written request, receive a refund of  
23 the amount contributed for such purchase of such creditable  
24 service. The surviving spouse shall not be eligible for a refund  
25 under this subsection if he or she is entitled to survivorship  
26 benefits payable under section 104.140. A member who is entitled  
27 to a deferred annuity under section 104.035 shall be ineligible  
28 to purchase service under this subsection.

1           104.160. The board of trustees shall consist of three  
2 members of the state highways and transportation commission  
3 elected by the members of the commission. The superintendent of  
4 the highway patrol and the director of the department of  
5 transportation shall serve as members by virtue of their  
6 respective offices, and their successors shall succeed them as  
7 members of the board of trustees. In addition, one member of the  
8 senate appointed by the president pro tem of the senate and one  
9 member of the house of representatives, appointed by the speaker  
10 of the house shall serve as members of the board of trustees. In  
11 addition to the appointed legislators, two active employee  
12 members of the system shall be elected by a plurality vote of the  
13 active employee members of the system, herein designated for  
14 four-year terms to commence July 1, 1982, and every four years  
15 thereafter. One elected member shall be elected from the active  
16 employees of the department of transportation and one elected  
17 member shall be elected from the active employees of the civilian  
18 or uniformed highway patrol. In addition to the two active  
19 employee members, ~~one retired member~~ two retirees of the system  
20 shall be elected to serve on the board by a plurality vote of the  
21 ~~retired members~~ retirees of the system. ~~The retired member~~  
22 One retiree shall be elected by the retired employees of the  
23 transportation department and one retiree shall be elected by the  
24 ~~retired members~~ employees of the civilian or uniformed highway  
25 patrol. ~~The first retired member~~ elected to the board shall  
26 serve for a term which shall commence on January 1, 1993, and  
27 expire on June 30, 1994. Subsequently elected retired members  
28 shall serve for four-year terms commencing on July 1, 1994, and

1 every four years thereafter, which shall coincide with the terms  
2 of the active employee members of the board.] The retiree  
3 serving on the board on August 28, 2007, shall continue to serve  
4 on the board as the representative of the retired employees of  
5 the transportation department until June 30, 2010. An election  
6 shall be held prior to January 1, 2008, for the retiree to be  
7 elected by the retired employees of the civilian or uniformed  
8 highway patrol with said term to commence on January 1, 2008, and  
9 expire on June 30, 2010. All terms of elected retired employees  
10 shall be for four years after June 30, 2010. The board shall  
11 determine the procedures for nomination and election of the  
12 elective board members. Nominations may be entered by any member  
13 of the system, provided members of the system have a reasonable  
14 opportunity to vote.

15 104.312. 1. The provisions of subsection 2 of section  
16 104.250, subsection 2 of section 104.540, subsection 2 of section  
17 287.820, RSMo, and section 476.688, RSMo, to the contrary  
18 notwithstanding, any pension, annuity, benefit, right, or  
19 retirement allowance provided pursuant to this chapter, chapter  
20 287, RSMo, or chapter 476, RSMo, is marital property and after  
21 August 28, 1994, a court of competent jurisdiction may divide the  
22 pension, annuity, benefits, rights, and retirement allowance  
23 provided pursuant to this chapter, chapter 287, RSMo, or chapter  
24 476, RSMo, between the parties to any action for dissolution of  
25 marriage. A division of benefits order issued pursuant to this  
26 section:

27 (1) Shall not require the applicable retirement system to  
28 provide any form or type of annuity or retirement plan not

1 selected by the member and not normally made available by that  
2 system;

3 (2) Shall not require the applicable retirement system to  
4 commence payments until the member submits a valid application  
5 for an annuity and the annuity becomes payable in accordance with  
6 the application;

7 (3) Shall identify the monthly amount to be paid to the  
8 alternate payee, which shall be expressed as a percentage and  
9 which shall not exceed fifty percent of the amount of the  
10 member's annuity accrued during all or part of the time while the  
11 member and alternate payee were married; and which shall be based  
12 on the member's vested annuity on the date of the dissolution of  
13 marriage or an earlier date as specified in the order, which  
14 amount shall be adjusted proportionately if the member's annuity  
15 is reduced due to early retirement or the member's annuity is  
16 reduced pursuant to section 104.395 under an annuity option in  
17 which the member named the alternate payee as beneficiary prior  
18 to the dissolution of marriage or pursuant to section 104.090  
19 under an annuity option in which the member on or after August  
20 28, 2007, named the alternative payee as beneficiary prior to the  
21 dissolution of marriage, and the percentage established shall be  
22 applied to the pro rata portion of any lump sum distribution  
23 pursuant to subsection 6 of section 104.335, accrued during the  
24 time while the member and alternate payee were married;

25 (4) Shall not require the payment of an annuity amount to  
26 the member and alternate payee which in total exceeds the amount  
27 which the member would have received without regard to the order;

28 (5) Shall provide that any benefit formula increases,

1 additional years of service, increased average compensation or  
2 other type of increases accrued after the date of the dissolution  
3 of marriage shall accrue solely to the benefit of the member;  
4 except that on or after September 1, 2001, any annual benefit  
5 increase shall not be considered to be an increase accrued after  
6 the date of termination of marriage and shall be part of the  
7 monthly amount subject to division pursuant to any order issued  
8 after September 1, 2001;

9 (6) Shall terminate upon the death of either the member or  
10 the alternate payee, whichever occurs first;

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

13 (8) Shall include the name, address and Social Security  
14 number of both the member and the alternate payee, and the  
15 identity of the retirement system to which it applies;

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

18 2. A system established by this chapter shall provide the  
19 court having jurisdiction of a dissolution of marriage proceeding  
20 or the parties to the proceeding with information necessary to  
21 issue a division of benefits order concerning a member of the  
22 system, upon written request from either the court, the member or  
23 the member's spouse, which cites this section and identifies the  
24 case number and parties.

25 3. A system established by this chapter shall have the  
26 discretionary authority to reject a division of benefits order  
27 for the following reasons:

28 (1) The order does not clearly state the rights of the

1 member and the alternate payee;

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

4 4. The amount paid to an alternate payee under an order  
5 issued pursuant to this section shall be based on [what the  
6 member would have received had the member elected coverage under  
7 the closed plan pursuant to section 104.1015 regardless of the  
8 actual election made by the member pursuant to that section] the  
9 plan the member was in on the date of the dissolution of  
10 marriage; except that any annual benefit increases subject to  
11 division shall be based on the actual annual benefit increases  
12 received after the retirement plan election.

13 104.320. 1. For the purpose of providing retirement income  
14 and other benefits to employees of the state, there is hereby  
15 created and established a retirement system which shall be a body  
16 corporate and an instrumentality of the state, which shall be  
17 under the management of a board of trustees herein described, and  
18 shall be known as the "Missouri State Employees' Retirement  
19 System". In the system shall be vested the powers and duties  
20 specified in sections 104.010 and 104.320 to 104.800 and such  
21 other powers as may be necessary or proper to enable it, its  
22 officers, employees, and agents to carry out fully and  
23 effectively all the purposes of sections 104.010 and 104.320 to  
24 104.800.

25 2. Notwithstanding any provision of law to the contrary,  
26 the system is also authorized and empowered to provide services  
27 in connection with medical benefit funds established or  
28 maintained for state employees, retirees, and their dependents

1 who are participants in a state medical plan administered by the  
2 Missouri consolidated health plan established under section  
3 103.005, RSMo, or other medical benefit plans established or  
4 maintained by the state for its employees, retirees, and their  
5 dependents. All such plans described in this section shall be  
6 welfare plans referred to as "State Medical Plans". The services  
7 to be provided by the system shall include, but not be limited  
8 to, the investment of assets of such state medical plans. Such  
9 services to be provided by the system shall be provided under a  
10 trust agreement between the board, as trustee, and the state  
11 medical plan, subject to approval by the board of trustees of the  
12 Missouri state employees' retirement system and the state medical  
13 plan. The system shall be vested with the powers and duties  
14 specified in section 104.010 and sections 104.320 to 104.1093 and  
15 such other powers as may be necessary or proper to enable it, its  
16 officers, employees, and agents to carry out fully and  
17 effectively all the purposes of this subsection. Whenever the  
18 system is acting under section 104.010 and sections 104.320 to  
19 104.1093 with respect to services provided under this subsection,  
20 the provisions of such sections shall be read to apply to  
21 services provided under this subsection and not to services  
22 provided under subsection 1 of this section.

23 3. Notwithstanding any provision of law to the contrary,  
24 the board shall set up and maintain a separate employee and  
25 retiree medical benefit trust for each state medical plan that  
26 the system contracts with under subsection 2 of this section in  
27 which shall be placed contributions made to the board by the  
28 state of Missouri, either directly or indirectly through the

1 medical benefit plan, to fund benefits payable under such state  
2 medical plan. No such contributions made from the medical  
3 benefit plan's trust fund shall be transferred to the board  
4 without the approval of the medical benefit plan's governing  
5 body. All property, money, funds, investments, and rights so  
6 received and accepted by the board together with proceeds and  
7 reinvestments thereof shall be dedicated to and held in a  
8 separate trust, known as the medical benefit trust, for the  
9 exclusive purpose of satisfying the obligations of the applicable  
10 state medical plan to pay health care and other medical benefits  
11 to employee and retiree participants and their dependents under  
12 such state medical plan. At no time shall any part of a medical  
13 benefit trust be used for or diverted to any purpose other than  
14 for the exclusive purpose of satisfying the obligations of the  
15 applicable state medical plan to provide health care and other  
16 medical benefits to employee and retiree participants and their  
17 dependents, including payment of benefits on behalf of such  
18 participants under such state medical plan and payment of  
19 reasonable expenses of the medical benefit trust. The board may  
20 establish one or more trust instruments that set forth the terms  
21 and conditions for holding, investing, and distributing assets of  
22 a medical benefit trust that are consistent with subsection 2 of  
23 this section. Such medical benefit trust may be irrevocable. A  
24 separate account for a state medical plan may be established  
25 under a separate trust instrument. The board may consolidate the  
26 retiree assets of one or more medical benefit trusts in a single  
27 fund or funds, a "master trust", that may be commingled for  
28 investment purposes, and subject to the applicable trust

1 agreement, may commingle the retiree assets of one or more  
2 medical benefit trusts with assets of the system for investment  
3 purposes. In the event the board commingles assets of one or  
4 more trusts for investment purposes, it shall maintain separate  
5 bookkeeping accounts reflecting the separate share in each  
6 investment pool of each participating trust. The board shall  
7 have power to purchase, acquire, hold, invest, lend, lease, sell,  
8 assign, transfer, and dispose of all property, rights, and  
9 securities and enter into written contracts and may employ or  
10 contract with third-party advisors all as may be necessary or  
11 proper to carry out the purposes of this subsection and  
12 subsection 2 of this section. The board shall have the power to  
13 borrow money for any of the authorized purposes of the board and  
14 to issue negotiable notes, bonds, or other instruments in writing  
15 in evidence of the sum or sums to be borrowed. Whenever the  
16 system is acting under section 104.010 and sections 104.320 to  
17 104.1093 with respect to an account established under this  
18 subsection, the provisions of such sections shall be read to  
19 apply to an account provided under this subsection and not  
20 accounts established under subsection 1 of section 104.440.

21 4. The board shall make such payments from a medical  
22 benefit trust to or for the benefit of the participants in a  
23 state medical plan and their dependents, at such time, in such  
24 manner, in such amounts, in such form, and for such purposes as  
25 may be specified in one or more directives by the state medical  
26 plan administrator authorized to direct payment of benefits under  
27 such state medical plan from time to time or as provided in a  
28 trust agreement governing such medical benefit trust, and the

1 board shall have no responsibility and shall be without liability  
2 for any payment made under such direction. The board shall be  
3 under no duty or obligation to make any inquiry or investigation  
4 as to whether any direction is made under the provisions of any  
5 state medical plan and shall not be responsible in any respect  
6 for the administration of any state medical plan. Payment in  
7 response to such direction shall be a complete discharge of the  
8 board of its responsibility for the holding and safekeeping of  
9 such assets and any assets paid over shall no longer constitute  
10 part of the medical benefit trust.

11 5. The board shall invest the funds of a medical benefit  
12 trust in the same manner as it invests funds of the retirement  
13 system as permitted by sections 105.686 to 105.690, RSMo.

14 6. The board may authorize the executive director to assist  
15 with programs and procedures pertaining to payroll for state  
16 employees and any state employee benefits as requested by the  
17 office of administration or other state agencies.

18 104.344. Notwithstanding any other law to the contrary, any  
19 person who is actively employed by the state of Missouri in a  
20 position covered by a retirement plan administered by the  
21 Missouri state employees' retirement system and who had  
22 nonfederal full-time public employment in the state of Missouri  
23 [or who had provided full-time services for compensation to the  
24 state of Missouri under a contract], and who by virtue of such  
25 employment was a member of a retirement system or other  
26 employer-sponsored retirement plan other than the Missouri state  
27 employees' retirement system but is not vested in such other  
28 retirement system or plan, or was not a member of any retirement

1 system or plan, may elect, prior to retirement, to purchase all  
2 of the member's creditable prior service but not to exceed four  
3 years for such service in any plan administered by the Missouri  
4 state employees' retirement system in which the person is  
5 receiving service credit for active employment or is eligible for  
6 a deferred annuity. The purchase shall be effected by the person  
7 paying to the Missouri state employees' retirement system an  
8 amount equal to what would have been contributed by the state in  
9 his or her behalf had the person been a member for the period for  
10 which he or she is electing to purchase credit and had the  
11 person's compensation during such period been the same as the  
12 annual salary rate at which the person was initially employed in  
13 a position covered by a plan administered by the Missouri state  
14 employees' retirement system or the Missouri department of  
15 transportation and highway patrol employees' retirement system,  
16 with the calculations based on the contribution rate in effect on  
17 the date of his or her employment under the provisions of the  
18 Missouri state employees' retirement system with simple interest  
19 calculated from the date of employment from which the person  
20 could first receive creditable service from the Missouri state  
21 employees' retirement system to the date of election to purchase  
22 such service. The payment shall be made over a period of not  
23 longer than two years, with simple interest on the unpaid  
24 balance. In no event shall any [person receive credit or  
25 benefits under any other] individual be eligible to purchase  
26 creditable service under this section if such individual after  
27 the completion of such purchase has or will receive credit or  
28 service under another retirement plan as defined pursuant to

1 section 105.691, RSMo, for [creditable service] the same time  
2 period of service being purchased pursuant to the provisions of  
3 this section. The contribution rate for any judge who elects to  
4 purchase service for a period prior to July 1, 1998, shall be  
5 equal to a contribution rate which would be used if the judicial  
6 system were funded on an actuarial basis prior to that date.

7 104.352. 1. [Any employee or former employee described in  
8 paragraph (b) of subdivision (18) of section 104.010 is entitled  
9 to credit for all prior service and membership service as if he  
10 had been a member of the system on the date of its inception.  
11 Any such employee shall be considered a member of the system from  
12 the date of his or her employment and shall receive credit for  
13 each month of service for which he is employed with service being  
14 computed as if part-time employment with the general assembly  
15 were full-time employment for the period the member was so  
16 employed.

17 2.] Each employee described in paragraph (b) of subdivision  
18 [(18)] (20) of section 104.010 shall be entitled to the same  
19 insurance benefits provided under sections 103.003 to 103.175,  
20 RSMo to employees described in paragraph (a) of subdivision  
21 [(18)] (20) of section 104.010 to cover the medical expenses of  
22 such employees and their spouses and children. Such insurance  
23 benefits shall be made available to employees described in  
24 paragraph (b) of subdivision [(18)] (20) of section 104.010 upon  
25 their initial employment as such employees in the same manner  
26 provided for employees described in paragraph (a) of subdivision  
27 [(18)] (20) of section 104.010, and shall be continued during any  
28 period of time, not to exceed one year, in which such employees

1 are not paid for full-time employment, so long as such employees  
2 pay the same amount for such insurance benefits as is required of  
3 employees described in paragraph (a) of subdivision [(18)] (20)  
4 of section 104.010 who continue receiving such insurance benefits  
5 during a leave of absence without pay from their employment with  
6 the state. Any employee described in paragraph (b) of  
7 subdivision [(18)] (20) of section 104.010 who is reemployed by  
8 the general assembly or either house thereof, or by any member of  
9 the general assembly while acting in his official capacity as a  
10 member, by the thirteenth legislative day of the session of the  
11 general assembly immediately following the session of the general  
12 assembly in which such employee was last so employed, without  
13 having elected to discontinue the insurance benefits described in  
14 this subsection, shall be entitled to continue such insurance  
15 benefits without having to prove insurability for himself or any  
16 of his covered dependents for whom he has paid for such coverage  
17 continuously since last employed as an employee described in  
18 paragraph (b) of subdivision [(18)] (20) of section 104.010. Any  
19 employee described in paragraph (b) of subdivision [(18)] (20) of  
20 section 104.010 who is not reemployed by the general assembly or  
21 either house thereof, or by any member of the general assembly  
22 while acting in his official capacity as a member, by the  
23 thirteenth legislative day of the session of the general assembly  
24 immediately following the session of the general assembly in  
25 which such employee was last so employed, shall be deemed  
26 terminated as an employee as of such thirteenth legislative day,  
27 and the insurance benefits provided for such employee under this  
28 subsection and sections 103.003 to 103.175, RSMo, shall be

1 terminated as provided for employees described in paragraph (a)  
2 of subdivision [(18)] (20) of section 104.010 whose employment is  
3 terminated. During each month of service in which an employee  
4 described in paragraph (b) of subdivision [(18)] (20) of section  
5 104.010 is employed, the state shall make any contribution  
6 required by sections 103.003 to 103.175, RSMo, for such employee.

7 [3.] 2. Any employee described in paragraph (b) of  
8 subdivision [(18)] (20) of section 104.010 who is actively  
9 employed on or after September 28, 1992, shall be deemed vested  
10 for purposes of determining eligibility for benefits under  
11 sections 104.320 to 104.620 after being so employed for at least  
12 sixty months.

13 104.354. In each fiscal year in which retirement benefits  
14 are to be paid to retired employees described in paragraph (b) of  
15 subdivision [(18)] (20) of section 104.010 because of the  
16 provisions of section 104.352, funding for such benefits shall be  
17 provided as set forth in section 104.436. All benefits paid  
18 because of the provisions of section 104.352 shall be paid by the  
19 retirement system along with all other retirement benefits due  
20 such retired employees under the retirement system.

21 104.380. If a retired member is elected to any state office  
22 or is appointed to any state office or is employed by a  
23 department in a position normally requiring the performance by  
24 the person of duties during not less than one thousand forty  
25 hours per year, the member shall not receive an annuity for any  
26 month or part of a month for which the member serves as an  
27 officer or employee, but the member shall be considered to be a  
28 new employee with no previous creditable service and must accrue

1 creditable service continuously for at least one year in order to  
2 receive any additional annuity. Any retired member who again  
3 becomes an employee and who accrues additional creditable service  
4 and later retires shall receive an additional amount of monthly  
5 annuity calculated to include only the creditable service and the  
6 average compensation earned by the member since such employment  
7 or creditable service earned as a member of the general assembly.  
8 Years of membership service and twelfths of a year are to be used  
9 in calculating any additional annuity except for creditable  
10 service earned as a member of the general assembly, and such  
11 additional annuity shall be based on the type of service accrued.  
12 In either event, the original annuity and the additional annuity,  
13 if any, shall be paid commencing with the end of the first month  
14 after the month during which the member's term of office has been  
15 completed, or the member's employment terminated. If a retired  
16 member is employed by a department in a position that does not  
17 normally require the person to perform duties during at least one  
18 thousand forty hours per year, the member shall not be considered  
19 an employee as defined pursuant to section 104.010. A retired  
20 member who becomes reemployed as an employee on or after August  
21 28, 2001, in a position covered by the highways and  
22 transportation employees' and highway patrol retirement system  
23 shall not be eligible to receive retirement benefits or  
24 additional creditable service from the state employees'  
25 retirement system.

26 104.395. 1. In lieu of the normal annuity otherwise  
27 payable to a member pursuant to [section] sections 104.335,  
28 104.370, 104.371, 104.374, or 104.400, and prior to the last

1 business day of the month before the annuity starting date  
2 pursuant to section 104.401, a member shall elect whether or not  
3 to have such member's normal annuity reduced as provided by the  
4 options set forth in this section; provided that if such election  
5 has not been made within such time, annuity payments due  
6 beginning on and after such annuity starting date shall be made  
7 the month following the receipt by the system of such election,  
8 and further provided, that if such person dies after such annuity  
9 starting date but before making such election, no benefits shall  
10 be paid except as required pursuant to section 104.420:

11 Option 1. An actuarial reduction approved by the board of  
12 the member's annuity in reduced monthly payments for life during  
13 retirement with the provision that upon the member's death the  
14 reduced annuity at the date of the member's death shall be  
15 continued throughout the life of, and be paid to, the member's  
16 spouse to whom the member was married at the date of retirement  
17 and who was nominated by the member to receive such payments in  
18 the member's application for retirement or as otherwise provided  
19 pursuant to subsection 5 of this section. Such annuity shall be  
20 reduced in the same manner as an annuity under option 2 as in  
21 effect immediately prior to August 28, 1997. The surviving  
22 spouse shall designate a beneficiary to receive any final monthly  
23 payment due after the death of the surviving spouse; or

24 Option 2. The member's normal annuity in regular monthly  
25 payments for life during the member's retirement with the  
26 provision that upon the member's death a survivor's benefit equal  
27 to one-half the member's annuity at the date of the member's  
28 death shall be paid to the member's spouse to whom the member was

1 married at the date of retirement and who was nominated by the  
2 member to receive such payments in the member's application for  
3 retirement or as otherwise provided pursuant to subsection 5 of  
4 this section, in regular monthly payments for life. The  
5 surviving spouse shall designate a beneficiary to receive any  
6 final monthly payment due after the death of the surviving  
7 spouse; or

8       Option 3. An actuarial reduction approved by the board of  
9 the member's normal annuity in reduced monthly payments for the  
10 member's life with the provision that if the member dies prior to  
11 the member having received one hundred twenty monthly payments of  
12 the member's reduced annuity, the member's reduced annuity to  
13 which the member would have been entitled had the member lived  
14 shall be paid for the remainder of the one hundred twenty months'  
15 period to such person as the member shall have nominated by  
16 written designation duly executed and filed with the board. If  
17 there is no such beneficiary surviving the retirant, the reserve  
18 for such annuity for the remainder of such one hundred twenty  
19 months' period shall be paid [to the retirant's estate] as  
20 provided under subsection 3 of section 104.620. If such  
21 beneficiary dies after the member's date of death but before  
22 having received the remainder of the one hundred twenty monthly  
23 payments of the retiree's reduced annuity, the reserve for such  
24 annuity for the remainder of such one hundred twenty-month period  
25 shall be paid [to the beneficiary's estate] as provided under  
26 subsection 3 of section 104.620; or

27       Option 4. An actuarial reduction approved by the board of  
28 the member's normal annuity in reduced monthly payments for the

1 member's life with the provision that if the member dies prior to  
2 the member having received sixty monthly payments of the member's  
3 reduced annuity, the member's reduced annuity to which the member  
4 would have been entitled had the member lived shall be paid for  
5 the remainder of the sixty months' period to such person as the  
6 member shall have nominated by written designation duly executed  
7 and filed with the board. If there be no such beneficiary  
8 surviving the retirant, the reserve for such annuity for the  
9 remainder of such sixty months' period shall be paid [to the  
10 retirant's estate] as provided under subsection 3 of section  
11 104.620. If such beneficiary dies after the member's date of  
12 death but before having received the remainder of the sixty  
13 monthly payments of the retiree's reduced annuity, the reserve  
14 for such annuity for the remainder of the sixty-month period  
15 shall be paid [to the beneficiary's estate] as provided under  
16 subsection 3 of section 104.620.

17 2. Effective July 1, 2000, if a member is married as of the  
18 annuity starting date to a person who has been the member's  
19 spouse, the member's annuity shall be paid pursuant to the  
20 provisions of either option 1 or option 2 as set forth in  
21 subsection 1 of this section, at the member's choice, with the  
22 spouse as the member's designated beneficiary unless the spouse  
23 consents in writing to the member electing another available form  
24 of payment.

25 3. For members who retire on or after August 28, 1995, in  
26 the event such member elected a joint and survivor option  
27 pursuant to the provisions of this section and the member's  
28 eligible spouse or eligible former spouse precedes the member in

1 death, the member's annuity shall revert effective the first of  
2 the month following the death of the spouse or eligible former  
3 spouse regardless of when the board receives the member's written  
4 application for the benefit provided in this subsection, to an  
5 amount equal to the member's normal annuity, as adjusted for  
6 early retirement if applicable; such benefit shall include any  
7 increases the member would have received since the date of  
8 retirement had the member elected a normal annuity. If a member  
9 dies prior to notifying the system of the spouse's death, the  
10 benefit will not revert to a normal annuity and no retroactive  
11 payments shall be made.

12 4. Effective on or after August 28, 1995, any retired  
13 member who had elected a joint and survivor option and whose  
14 spouse or eligible former spouse precedes or preceded the member  
15 in death shall upon application to the board be made,  
16 constituted, appointed and employed by the board as a special  
17 consultant on the problems of retirement, aging and other state  
18 matters. As a special consultant pursuant to the provisions of  
19 this section, the member's reduced annuity shall revert to a  
20 normal annuity as adjusted for early retirement, if applicable,  
21 effective the first of the month following the death of the  
22 spouse or eligible former spouse or August 28, 1995, whichever is  
23 later, [regardless of when the board receives the member's  
24 written application] if the member cancels the member's original  
25 joint and survivor election; such annuity shall include any  
26 increases the retired member would have received since the date  
27 of retirement had the member elected a normal annuity.

28 5. Effective July 1, 2000, a member may make an election

1 under option 1 or 2 after the date retirement benefits are  
2 initiated if the member makes such election within one year from  
3 the date of marriage or July 1, 2000, whichever is later, under  
4 any of the following circumstances:

5 (1) The member elected to receive a normal annuity and was  
6 not eligible to elect option 1 or 2 on the date retirement  
7 benefits were initiated; or

8 (2) The member's annuity reverted to a normal annuity  
9 pursuant to subsection 3 or 4 of this section and the member  
10 remarried.

11 6. Any person who terminates employment or retires prior to  
12 July 1, 2000, shall be made, constituted, appointed and employed  
13 by the board as a special consultant on the problems of  
14 retirement, aging and other state matters, and for such services  
15 shall be eligible to elect to receive the benefits described in  
16 subsection 5 of this section.

17 7. Effective September 1, 2001, the retirement application  
18 of any member who fails to make an election pursuant to  
19 subsection 1 of this section within ninety days of the annuity  
20 starting date contained in such retirement application shall be  
21 nullified. Any member whose retirement application is nullified  
22 shall not receive retirement benefits until the member files a  
23 new application for retirement pursuant to section 104.401 and  
24 makes the election pursuant to subsection 1 of this section. In  
25 no event shall any retroactive retirement benefits be paid.

26 8. A member may change a member's election made under this  
27 section at any time prior to the system mailing or electronically  
28 transferring the first annuity payment to such member.

1 104.606. Any member of either system who purchases  
2 creditable service or credited service under this chapter or  
3 chapter 105, RSMo, shall apply and complete the purchase prior to  
4 applying to receive a retirement annuity in order to receive  
5 credit for such purchase.

6 104.805. 1. Employees who are earning creditable service  
7 in the closed plan of the Missouri state employees' retirement  
8 system and who are, as a result of the provisions of this section  
9 and sections 226.008, 389.005, 389.610, and 621.040, RSMo,  
10 transferred to the department of transportation will not become  
11 members of the closed plan of the [highways and transportation  
12 employees' and highway patrol] Missouri department of  
13 transportation and highway patrol employees' retirement system  
14 unless they elect to transfer membership and creditable service  
15 to the closed plan of the [highways and transportation employees'  
16 and highway patrol] Missouri department of transportation and  
17 highway patrol employees' retirement system. The election must  
18 be in writing and must be made within [ninety] sixty days of  
19 [July 11, 2002] August 28, 2007. Any election to transfer  
20 membership and creditable service to the [highways and  
21 transportation employees' and highway patrol] Missouri department  
22 of transportation and highway patrol employees' retirement system  
23 shall result in the forfeiture of any rights or benefits in the  
24 Missouri state employees' retirement system. Any failure to  
25 elect to transfer membership and creditable service pursuant to  
26 this subsection will result in the employees remaining in the  
27 closed plan of the Missouri state employees' retirement system.  
28 If an election is made, the effective date for commencement of

1 membership and transfer of such creditable service shall be  
2 January 1, [2003] 2008.

3 2. Employees who are earning credited service in the year  
4 2000 plan of the Missouri state employees' retirement system and  
5 who are, as a result of the provisions of this section and  
6 sections 226.008, 389.005, 389.610, and 621.040, RSMo,  
7 transferred to the department of transportation will remain in  
8 the year 2000 plan administered by the Missouri state employees'  
9 retirement system unless they elect to transfer membership and  
10 credited service to the year 2000 plan administered by the  
11 [highways and transportation employees' and highway patrol]  
12 Missouri department of transportation and highway patrol  
13 employees' retirement system. The election must be in writing  
14 and must be made within [ninety] sixty days of [July 11, 2002]  
15 August 28, 2007. Any election to transfer membership and  
16 credited service to the year 2000 plan administered by the  
17 [highways and transportation employees' and highway patrol]  
18 Missouri department of transportation and highway patrol  
19 employees' retirement system shall result in the forfeiture of  
20 any rights or benefits in the Missouri state employees'  
21 retirement system. Any failure to elect to transfer membership  
22 and credited service pursuant to this subsection will result in  
23 the employees remaining in the year 2000 plan administered by the  
24 Missouri state employees' retirement system. If an election is  
25 made, the effective date for commencement of membership and  
26 transfer of such creditable service shall be January 1, [2003]  
27 2008.

28 3. For any employee who elects under subsection 1 or 2 of

1 this section to transfer to the [highways and transportation  
2 employees' and highway patrol] Missouri department of  
3 transportation and highway patrol employees' retirement system,  
4 the Missouri state employees' retirement system shall pay to the  
5 [highways and transportation employees' and highway patrol]  
6 Missouri department of transportation and highway patrol  
7 employees' retirement system, by December 31, [2002] 2007, an  
8 amount actuarially determined to equal the liability transferred  
9 from the Missouri state employees' retirement system.

10 4. In no event shall any employee receive service credit  
11 for the same period of service under more than one retirement  
12 system as a result of the provisions of this section.

13 5. For any transferred employee who elects under subsection  
14 1 or 2 of this section to transfer to the [highways and  
15 transportation employee's and highway patrol] Missouri department  
16 of transportation and highway patrol employees' retirement  
17 system, the only medical coverage available for the employee  
18 shall be the medical coverage provided in section 104.270. The  
19 effective date for commencement of medical coverage shall be  
20 January 1, [2003] 2008. However, this does not preclude medical  
21 coverage for the transferred employee as a dependent under any  
22 other health care plan.

23 6. Those employees transferred to the department of  
24 transportation prior to January 1, 2003, under the provisions of  
25 this section and sections 226.008, 389.005, 389.610, and 621.040,  
26 RSMo, shall not be eligible for the election provisions under  
27 this section.

28 104.1003. 1. Unless a different meaning is plainly

1 required by the context, the following words and phrases as used  
2 in sections 104.1003 to 104.1093 shall mean:

3 (1) "Act", the "Year 2000 Plan" created by sections  
4 104.1003 to 104.1093;

5 (2) "Actuary", an actuary who is experienced in retirement  
6 plan financing and who is either a member of the American Academy  
7 of Actuaries or an enrolled actuary under the Employee Retirement  
8 Income Security Act of 1974;

9 (3) "Annuity", annual benefit amounts, paid in equal  
10 monthly installments, from funds provided for in, or authorized  
11 by, sections 104.1003 to 104.1093;

12 (4) "Annuity starting date" means the first day of the  
13 first month with respect to which an amount is paid as an annuity  
14 pursuant to sections 104.1003 to 104.1093;

15 (5) "Beneficiary", any person or entity entitled to receive  
16 an annuity or other benefit pursuant to sections 104.1003 to  
17 104.1093 based upon the employment record of another person;

18 (6) "Board of trustees", "board", or "trustees", a  
19 governing body or bodies established for the year 2000 plan  
20 pursuant to sections 104.1003 to 104.1093;

21 (7) "Closed plan", a benefit plan created pursuant to this  
22 chapter and administered by a system prior to July 1, 2000. No  
23 person first employed on or after July 1, 2000, shall become a  
24 member of the closed plan, but the closed plan shall continue to  
25 function for the benefit of persons covered by and remaining in  
26 the closed plan and their beneficiaries;

27 (8) "Consumer price index", the Consumer Price Index for  
28 All Urban Consumers for the United States, or its successor

1 index, as approved by the board, as such index is defined and  
2 officially reported by the United States Department of Labor, or  
3 its successor agency;

4 (9) "Credited service", the total credited service to a  
5 member's credit as provided in sections 104.1003 to 104.1093;  
6 except that in no case shall more than one day of credited  
7 service be credited to any member or vested former member for any  
8 one calendar day of eligible credit as provided by law;

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

16 (11) "Early retirement eligibility", a member's attainment  
17 of fifty-seven years of age and the completion of at least five  
18 years of credited service;

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

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

24 (a) The term "employee" shall not include any patient or  
25 inmate of any state, charitable, penal or correctional  
26 institution, or any person who is employed by a department in a  
27 position that is covered by a state-sponsored defined benefit  
28 retirement plan not created by this chapter;

1 (b) The term "employee" shall be modified as provided by  
2 other provisions of sections 104.1003 to 104.1093;

3 (c) The system shall consider a person who is employed in  
4 multiple positions simultaneously within a single agency to be  
5 working in a single position for purposes of determining whether  
6 the person is an employee as defined in this subdivision;

7 (d) Beginning September 1, 2001, the term "year" as used in  
8 this subdivision shall mean the twelve-month period beginning on  
9 the first day of employment;

10 (e) The term "employee" shall include any person as defined  
11 under paragraph (b) of subdivision (20) of subsection 1 of  
12 section 104.010 who is first employed on or after July 1, 2000,  
13 but prior to August 28, 2007;

14 (14) "Employer", a department;

15 (15) "Executive director", the executive director employed  
16 by a board established pursuant to the provisions of sections  
17 104.1003 to 104.1093;

18 (16) "Final average pay", the average pay of a member for  
19 the thirty-six full consecutive months of service before  
20 termination of employment when the member's pay was greatest; or  
21 if the member was on workers' compensation leave of absence or a  
22 medical leave of absence due to an employee illness, the amount  
23 of pay the member would have received but for such leave of  
24 absence as reported and verified by the employing department; or  
25 if the member was employed for less than thirty-six months, the  
26 average monthly pay of a member during the period for which the  
27 member was employed. The board of each system may promulgate  
28 rules for purposes of calculating final average pay and other

1 retirement provisions to accommodate for any state payroll system  
2 in which pay is received on a monthly, semimonthly, biweekly, or  
3 other basis;

4 (17) "Fund", a fund of the year 2000 plan established  
5 pursuant to sections 104.1003 to 104.1093;

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

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

10 (20) "Normal retirement eligibility", a member's attainment  
11 of at least sixty-two years of age and the completion of at least  
12 five or more years of credited service or, the attainment of at  
13 least forty-eight years of age with a total of years of age and  
14 years of credited service which is at least eighty or, in the  
15 case of a member of the highway patrol who shall be subject to  
16 the mandatory retirement provisions of section 104.080, the  
17 mandatory retirement age and completion of five years of credited  
18 service or, the attainment of at least forty-eight years of age  
19 with a total of years of age and years of credited service which  
20 is at least eighty;

21 (21) "Pay" shall include:

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

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

1           b. Any amounts paid upon termination of employment for  
2 unused annual leave or unused sick leave;

3           c. Pay in excess of the limitations set forth in Section  
4 401(a)(17) of the Internal Revenue Code of 1986 as amended and  
5 other applicable federal laws or regulations; [and]

6           d. Any nonrecurring single sum payments; and

7           e. Any amounts for which contributions have not been made  
8 in accordance with section 104.1066;

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

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

16           (d) For purposes of members of the general assembly, pay  
17 shall be the annual salary provided to each senator and  
18 representative pursuant to section 21.140, RSMo, plus any salary  
19 adjustment pursuant to section 21.140, RSMo;

20           (22) "Retiree", a person receiving an annuity from the year  
21 2000 plan based upon the person's employment record;

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

23           (24) "System" or "retirement system", the Missouri state  
24 employees' retirement system or the [transportation department  
25 and highway patrol retirement system] Missouri department of  
26 transportation and highway patrol employees' retirement system,  
27 as the case may be;

28           (25) "Vested former member", a person entitled to receive a

1 deferred annuity pursuant to section 104.1036;

2 (26) "Year 2000 plan", the benefit plan created by sections  
3 104.1003 to 104.1093.

4 2. Benefits paid under the provisions of this chapter shall  
5 not exceed the limitations of Internal Revenue Code Section 415,  
6 the provisions of which are hereby incorporated by reference.

7 Notwithstanding any other law to the contrary, the board of  
8 trustees may establish a benefit plan under Section 415(m) of the  
9 Internal Revenue Code of 1986, as amended. Such plan shall be  
10 created solely for the purposes described in Section 415(m)(3)(A)  
11 of the Internal Revenue Code of 1986, as amended. The board of  
12 trustees may promulgate regulations necessary to implement the  
13 provisions of this subsection and to create and administer such  
14 benefit plan.

15 104.1012. 1. Any new state employee who would have become  
16 a member of the closed plan administered by the transportation  
17 department and highway patrol retirement system except for the  
18 creation of the year 2000 plan and persons covered by the closed  
19 plan administered by the highway and transportation employees'  
20 and highway patrol retirement system who elect year 2000 plan  
21 coverage as provided in section 104.1015 shall have their year  
22 2000 plan coverage managed by that board.

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

1 year 2000 plan coverage managed by that board.

2 3. In the event either board of trustees elects to provide  
3 employees, members, or vested former members under either the  
4 closed plan or the year 2000 plan with education or advice  
5 pertaining to any aspect of retirement planning, the board will  
6 not be liable for the retirement or investment decisions made or  
7 not made by employees, members, or vested former members so long  
8 as the board acts with the same care, skills, prudence, and  
9 diligence in the selection and monitoring of providers of  
10 education and advice, under the circumstances then prevailing  
11 that a prudent person acting in a similar capacity and familiar  
12 with those matters would use in the conduct of a similar  
13 enterprise with similar aims.

14 104.1015. 1. Persons covered by a closed plan on July 1,  
15 2000, shall elect whether or not to change to year 2000 plan  
16 coverage. Any such person who elects to be covered by the year  
17 2000 plan shall forfeit all rights to receive benefits under this  
18 chapter except as provided under the year 2000 plan and all  
19 creditable service of such person under the closed plan shall be  
20 credited under the year 2000 plan. Any such person who elects  
21 not to be covered by the year 2000 plan shall waive all rights to  
22 receive benefits under the year 2000 plan. In no event shall any  
23 retroactive annuity be paid to such persons pursuant to sections  
24 104.1003 to 104.1093 except as described in subsection 2 of this  
25 section.

26 2. Each retiree of the closed plan on July 1, 2000, shall  
27 be furnished by the appropriate system a written comparison of  
28 the retiree's closed plan coverage and the retiree's potential

1 year 2000 plan coverage. A retiree shall elect whether or not to  
2 change to year 2000 plan coverage by making a written election,  
3 on a form furnished by the appropriate board, and providing that  
4 form to the system by no later than twelve months after July 1,  
5 2000, and any retiree who fails to make such election within such  
6 time period shall be deemed to have elected to remain covered  
7 under the closed plan; provided the election must be after the  
8 retiree has received from the appropriate system such written  
9 comparison. The retirement option elected under the year 2000  
10 plan shall be the same as the retirement option elected under the  
11 closed plan, except any retiree who is receiving one of the  
12 options providing for a continuing lifetime annuity to a  
13 surviving spouse under the closed plan may elect to receive an  
14 annuity under option 1 or 2 of section 104.1027, or a life  
15 annuity under subsection 2 of section 104.1024, provided the  
16 person who was married to the member at the time of retirement,  
17 if any, consents in writing to such election made pursuant to  
18 section 104.1024, or to any election described in this section if  
19 the person was married to a member of the Missouri state  
20 employees' retirement system. The effective date of payment of  
21 an annuity under the year 2000 plan as provided in this  
22 subsection shall begin on July 1, 2000. No adjustment shall be  
23 made to retirement benefits paid to the retiree prior to July 1,  
24 2000. In order to calculate a new monthly annuity for retirees  
25 electing coverage under the year 2000 plan pursuant to this  
26 subsection, the following calculations shall be made:

27 (1) Except as otherwise provided in this subsection, the  
28 retiree's gross monthly retirement annuity in effect immediately

1 prior to July 1, 2000, shall be multiplied by the percentage  
2 increase in the life annuity formula between the closed plan and  
3 the year 2000 plan. This amount shall be added to the retiree's  
4 gross monthly retirement annuity in effect immediately prior to  
5 July 1, 2000, to arrive at the retiree's new monthly retirement  
6 annuity in the year 2000 plan on July 1, 2000. The age of  
7 eligibility and reduction factors applicable to the retiree's  
8 original annuity under the closed plan shall remain the same in  
9 the annuity payable under the year 2000 plan, except as provided  
10 in subdivision (2) of this subsection.

11 (2) If option 1 or 2 pursuant to section 104.1027 is chosen  
12 by the retiree under the year 2000 plan, the new monthly  
13 retirement annuity calculated pursuant to subdivision (1) of this  
14 subsection shall be recalculated using the reduction factors for  
15 the option chosen pursuant to section 104.1027.

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

21 (4) Cost-of-living adjustments paid pursuant to section  
22 104.1045 will commence on the anniversary of the retiree's  
23 annuity starting date coincident with or next following July 1,  
24 2000.

25 (5) Any retiree or other person described in this  
26 section who elects coverage under the year 2000 plan based on  
27 service rendered as a member of the general assembly or as a  
28 statewide elected official shall receive an annuity under the  
year 2000 plan calculated pursuant to the provisions of section

1 104.1084 using the current monthly pay at the time of the  
2 election with future COLAs calculated pursuant to subsection 7 of  
3 section 104.1084.

4 3. Each person who is an employee and covered by the closed  
5 plan and not a retiree of the closed plan on July 1, 2000, shall  
6 elect whether or not to change to year 2000 plan coverage prior  
7 to the last business day of the month before the person's annuity  
8 starting date, and if such election has not been made within such  
9 time, annuity payments due beginning on and after the month of  
10 the annuity starting date shall be made the month following the  
11 receipt by the appropriate system of such election and any other  
12 information required by the year 2000 plan created by sections  
13 104.1003 to 104.1093; provided, such election must be after the  
14 person has received from the year 2000 plan a written comparison  
15 of the person's closed plan coverage and the person's potential  
16 year 2000 plan coverage and the election must be made in writing  
17 on a form furnished by the appropriate board. If such person  
18 dies after the annuity starting date but before making such  
19 election and providing such other information, no benefits shall  
20 be paid except as required pursuant to section 104.420 or  
21 subsection 2 of section 104.372 for members of the general  
22 assembly.

23 4. Each person who is not an employee and not a retiree and  
24 is eligible for a deferred annuity from the closed plan on July  
25 1, 2000, shall elect whether or not to change to the year 2000  
26 plan coverage prior to the last business day of the month before  
27 the person's annuity starting date, and if such election has not  
28 been made within such time, annuity payments due beginning on and

1 after the month of the annuity starting date shall be made the  
2 month following the receipt by the appropriate system of such  
3 election and any other information required by the year 2000 plan  
4 created by sections 104.1003 to 104.1093; provided, the election  
5 must be after the person has received from the year 2000 plan a  
6 written comparison of the person's closed plan coverage and the  
7 person's potential year 2000 plan coverage and the election must  
8 be made in writing on a form furnished by the appropriate board.  
9 If such person dies after the annuity starting date but before  
10 making such election and providing such other information, no  
11 benefits shall be paid except as required pursuant to section  
12 104.420 or subsection 2 of section 104.372 for members of the  
13 general assembly.

14 5. Each person who is not an employee and not a retiree and  
15 is eligible for a deferred annuity from the closed plan and  
16 returns to covered employment on or after July 1, 2000, shall be  
17 covered under the closed plan; provided, such person shall elect  
18 whether or not to change to the year 2000 plan coverage prior to  
19 the last business day of the month before the person's annuity  
20 starting date, and if such election has not been made within such  
21 time, annuity payments due beginning on and after the month of  
22 the annuity starting date shall be made the month following the  
23 receipt by the appropriate system of such election and any other  
24 information required by the year 2000 plan created by sections  
25 104.1003 to 104.1093 and the election must be after the person  
26 has received from the year 2000 plan a written comparison of the  
27 person's closed plan coverage and the person's potential year  
28 2000 plan coverage and the election must be made in writing on a

1 form furnished by the appropriate board. If such person dies  
2 after the annuity starting date but before making such election  
3 and providing such other information, no benefits shall be paid  
4 except as required under section 104.420 or subsection 2 of  
5 section 104.372 for members of the general assembly.

6 6. Each person who is not an employee and not a retiree and  
7 not eligible for a deferred annuity from the closed plan but has  
8 forfeited creditable service with the closed plan and becomes an  
9 employee on or after August 28, 2002, shall be changed to year  
10 2000 plan coverage and upon receiving credited service  
11 continuously for one year shall receive credited service for all  
12 such forfeited creditable service under the closed plan.

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

21 8. The retirees and persons described in subsections 2 and  
22 4 of this section shall be eligible for benefits under those  
23 subsections pursuant to subsection 8 of section 104.610.

24 9. A member may change a member's plan election made under  
25 this section at any time prior to the system mailing or  
26 electronically transferring the first annuity payment to such  
27 member.

28 104.1021. 1. The appropriate board shall determine how

1 much credited service shall be given each member consistent with  
2 this section.

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

23 3. If a member is employed in a covered position and  
24 simultaneously employed in one or more other covered or  
25 noncovered positions, credited service shall be determined as if  
26 all such employment were in one position, and covered pay shall  
27 be the total of pay for all such positions. 4. In  
28 calculating any annuity, "credited service" means a period

1 expressed as whole years and any fraction of a year measured in  
2 twelfths that begins on the date an employee commences employment  
3 in a covered position and ends on the date such employee's  
4 membership terminates pursuant to section 104.1018 plus any  
5 additional period for which the employee is credited with service  
6 pursuant to this section.

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

9 6. Any member who had active military service in the United  
10 States Army, Air Force, Navy, Marine Corps, Army or Air National  
11 Guard, Coast Guard, or any reserve component thereof prior to  
12 last becoming a member, or who is otherwise ineligible to receive  
13 credited service pursuant to subsection 1 or 5 of this section,  
14 and who became a member after the person's discharge from  
15 military service under honorable conditions may elect, prior to  
16 retirement, to purchase credited service for all such military  
17 service, but not to exceed four years, provided the person is not  
18 receiving and is not eligible to receive retirement credits or  
19 benefits from any other public or private retirement plan, other  
20 than a United States military service retirement system, for the  
21 military service to be purchased along with the submission of  
22 appropriate documentation verifying the member's dates of active  
23 service. The purchase shall be effected by the member paying to  
24 the system an amount equal to the state's contributions that  
25 would have been made to the system on the member's behalf had the  
26 member been a member for the period for which the member is  
27 electing to purchase credit and had the member's pay during such  
28 period of membership been the same as the annual pay rate as of

1 the date the member was initially employed as a member, with the  
2 calculations based on the contribution rate in effect on the date  
3 of such member's employment with simple interest calculated from  
4 the date of employment to the date of election pursuant to this  
5 subsection. The payment shall be made over a period of not  
6 longer than two years, measured from the date of election, and  
7 with simple interest on the unpaid balance. If a member who  
8 purchased credited service pursuant to this subsection dies prior  
9 to retirement, the surviving spouse may, upon written request,  
10 receive a refund of the amount contributed for such purchase of  
11 such credited service, provided the surviving spouse is not  
12 entitled to survivorship benefits payable pursuant to the  
13 provisions of section 104.1030.

14 7. Any member of the Missouri state employees' retirement  
15 system shall receive credited service for the creditable prior  
16 service that such employee would have been entitled to under the  
17 closed plan pursuant to section 104.339, subsections 2, and 6 to  
18 9 of section 104.340, subsection 12 of section 104.342, section  
19 104.344, subsection 4 of section 104.345, subsection 4 of section  
20 104.372, section 178.640, RSMo, and section 211.393, RSMo,  
21 provided such service has not been credited under the closed  
22 plan.

23 8. Any member who has service in both systems and dies or  
24 terminates employment shall have the member's service in the  
25 other system transferred to the last system that covered such  
26 member and any annuity payable to such member shall be paid by  
27 that system. Any such member may elect to transfer service  
28 between systems prior to termination of employment, provided, any

1 annuity payable to such member shall be paid by the last system  
2 that covered such member prior to the receipt of such annuity.

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

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

14 11. A member may not purchase any credited service  
15 described in this section unless the member has met the five-year  
16 minimum service requirement as provided in subdivisions (11) and  
17 (20) of subsection 1 of section 104.1003, the [two] three full  
18 biennial assemblies minimum service requirement as provided in  
19 section 104.1084, or the four-year minimum service requirement as  
20 provided in section 104.1084.

21 12. Absences taken by an employee without compensation for  
22 sickness and injury of the employee of less than twelve months or  
23 for leave taken by such employee without compensation pursuant to  
24 the provisions of the Family and Medical Leave Act of 1993 shall  
25 be counted as years of credited service.

26 104.1024. 1. Any member who terminates employment may  
27 retire on or after attaining normal retirement eligibility by  
28 making application in written form and manner approved by the

1 appropriate board. The written application shall set forth the  
2 annuity starting date which shall not be earlier than the first  
3 day of the second month following the month of the execution and  
4 filing of the member's application for retirement nor later than  
5 the first day of the fourth month following the month of the  
6 execution and filing of the member's application for retirement.  
7 The payment of the annuity shall be made the last working day of  
8 each month, providing all documentation required under section  
9 104.1027 for the calculation and payment of the benefits is  
10 received by the board.

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

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

19 4. If as of the annuity starting date of a member who has  
20 attained normal retirement eligibility the sum of the member's  
21 years of age and years of credited service equals eighty or more  
22 years and if the member's age is at least forty-eight years but  
23 less than sixty-two years, or, in the case of a member of the  
24 highway patrol who shall be subject to the mandatory retirement  
25 provision of section 104.080, the mandatory retirement age and  
26 completion of five years of credited service, then in addition to  
27 the life annuity described in subsection 2 of this section, the  
28 member shall receive a temporary annuity equal to eight-tenths of

1 one percent of the member's final average pay multiplied by the  
2 member's years of credited service. The temporary annuity and  
3 any cost-of-living adjustments attributable to the temporary  
4 annuity pursuant to section 104.1045 shall terminate at the end  
5 of the calendar month in which the earlier of the following  
6 events occurs: the member's death or the member's attainment of  
7 the earliest age of eligibility for reduced Social Security  
8 retirement benefits, but no later than age sixty-two.

9 5. The annuity described in subsection 2 of this section  
10 for any person who has credited service not covered by the  
11 federal Social Security Act, as provided in sections 105.300 to  
12 105.445, RSMo, shall be calculated as follows: the life annuity  
13 shall be an amount equal to two and five-tenths percent of the  
14 final average pay of the member multiplied by the number of years  
15 of service not covered by the federal Social Security Act in  
16 addition to one and seven-tenths percent of the final average pay  
17 of the member multiplied by the member's years of credited  
18 service covered by the federal Social Security Act.

19 6. Effective July 1, 2002, any member, except an elected  
20 official or a member of the general assembly, who has not been  
21 paid retirement benefits and continues employment for at least  
22 two years beyond the date of normal retirement eligibility, may  
23 elect to receive an annuity and lump sum payment or payments,  
24 determined as follows:

25 (1) A retroactive starting date shall be established which  
26 shall be a date selected by the member; provided, however, that  
27 the retroactive starting date selected by the member shall not be  
28 a date which is earlier than the date when a normal annuity would

1 have first been payable. In addition, the retroactive starting  
2 date shall not be more than five years prior to the annuity  
3 starting date. The member's selection of a retroactive starting  
4 date shall be done in twelve-month increments, except this  
5 restriction shall not apply when the member selects the total  
6 available time between the retroactive starting date and the  
7 annuity starting date;

8 (2) The prospective annuity payable as of the annuity  
9 starting date shall be determined pursuant to the provisions of  
10 this section, with the exception that it shall be the amount  
11 which would have been payable at the annuity starting date had  
12 the member actually retired on the retroactive starting date  
13 under the retirement plan selected by the member. Other than for  
14 the lump sum payment or payments specified in subdivision (3) of  
15 this subsection, no other amount shall be due for the period  
16 between the retroactive starting date and the annuity starting  
17 date;

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

27 (4) Any annuity payable pursuant to this section that is  
28 subject to a division of benefit order pursuant to section

1 104.1051 shall be calculated as follows:

2 (a) Any service of a member between the retroactive  
3 starting date and the annuity starting date shall not be  
4 considered credited service except for purposes of calculating  
5 the division of benefit; and

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

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

13 104.1027. 1. Prior to the last business day of the month  
14 before the annuity starting date, a member or a vested former  
15 member shall elect whether or not to have such member's or such  
16 vested former member's life annuity reduced, but not any  
17 temporary annuity which may be payable, and designate a  
18 beneficiary, as provided by the options set forth in this  
19 section; provided that if such election has not been made within  
20 such time, annuity payments due beginning on and after the month  
21 of the annuity starting date shall be made the month following  
22 the receipt by the appropriate system of such election and any  
23 other information required by the year 2000 plan created by  
24 sections 104.1003 to 104.1093, and further provided, that if such  
25 person dies after the annuity starting date but before making  
26 such election and providing such other information, no benefits  
27 shall be paid except as required pursuant to section 104.1030:

28 Option 1. A retiree's life annuity shall be reduced to a

1 certain percent of the annuity otherwise payable. Such percent  
2 shall be ninety percent adjusted as follows: if the retiree's  
3 age on the annuity starting date is younger than sixty-two years,  
4 an increase of three-tenths of one percent for each year the  
5 retiree's age is younger than age sixty-two years[, to a maximum  
6 increase of three and six-tenths percent]; and if the  
7 beneficiary's age is younger than the retiree's age on the  
8 annuity starting date, a decrease of three-tenths of one percent  
9 for each year of age difference; and if the retiree's age is  
10 younger than the beneficiary's age on the annuity starting date,  
11 an increase of three-tenths of one percent for each year of age  
12 difference; provided, after all adjustments the option 1 percent  
13 cannot exceed ninety-five percent. Upon the retiree's death,  
14 fifty percent of the retiree's reduced annuity shall be paid to  
15 such beneficiary who was the retiree's spouse on the annuity  
16 starting date or as otherwise provided by subsection 5 of this  
17 section.

18 Option 2. A retiree's life annuity shall be reduced to a  
19 certain percent of the annuity otherwise payable. Such percent  
20 shall be eighty-three percent adjusted as follows: if the  
21 retiree's age on the annuity starting date is younger than  
22 sixty-two years, an increase of four-tenths of one percent for  
23 each year the retiree's age is younger than sixty-two years[, to  
24 a maximum increase of four and eight-tenths percent]; and if the  
25 beneficiary's age is younger than the retiree's age on the  
26 annuity starting date, a decrease of five-tenths of one percent  
27 for each year of age difference; and if the retiree's age is  
28 younger than the beneficiary's age on the annuity starting date,

1 an increase of five-tenths of one percent for each year of age  
2 difference; provided, after all adjustments the option 2 percent  
3 cannot exceed ninety percent. Upon the retiree's death one  
4 hundred percent of the retiree's reduced annuity shall be paid to  
5 such beneficiary who was the retiree's spouse on the annuity  
6 starting date or as otherwise provided by subsection 5 of this  
7 section.

8 Option 3. A retiree's life annuity shall be reduced to  
9 ninety-five percent of the annuity otherwise payable. If the  
10 retiree dies before having received one hundred twenty monthly  
11 payments, the reduced annuity shall be continued for the  
12 remainder of the one hundred twenty-month period to the retiree's  
13 designated beneficiary provided that if there is no beneficiary  
14 surviving the retiree, the present value of the remaining annuity  
15 payments shall be paid [to the retiree's estate] as provided  
16 under subsection 3 of section 104.620. If the beneficiary  
17 survives the retiree but dies before receiving the remainder of  
18 such one hundred twenty monthly payments, the present value of  
19 the remaining annuity payments shall be paid [to the  
20 beneficiary's estate] as provided under subsection 3 of section  
21 104.620.

22 Option 4. A retiree's life annuity shall be reduced to  
23 ninety percent of the annuity otherwise payable. If the retiree  
24 dies before having received one hundred eighty monthly payments,  
25 the reduced annuity shall be continued for the remainder of the  
26 one hundred eighty-month period to the retiree's designated  
27 beneficiary provided that if there is no beneficiary surviving  
28 the retiree, the present value of the remaining annuity payments

1 shall be paid [to the retiree's estate] as provided under  
2 subsection 3 of section 104.620. If the beneficiary survives the  
3 retiree but dies before receiving the remainder of such one  
4 hundred eighty monthly payments, the present value of the  
5 remaining annuity payments shall be paid [to the beneficiary's  
6 estate] as provided under subsection 3 of section 104.620.

7 2. If a member is married as of the annuity starting date,  
8 the member's annuity shall be paid under the provisions of either  
9 option 1 or option 2 as set forth in subsection 1 of this  
10 section, at the member's choice, with the spouse as the member's  
11 designated beneficiary unless the spouse consents in writing to  
12 the member electing another available form of payment.

13 3. If a member has elected at the annuity starting date  
14 option 1 or 2 pursuant to this section and if the member's spouse  
15 or eligible former spouse dies after the annuity starting date  
16 but before the member dies, then the member may cancel the  
17 member's election and return to the life annuity form of payment  
18 and annuity amount, effective the first of the month following  
19 the date of such spouse's or eligible former spouse's death. If  
20 a member dies prior to notifying the system of the spouse's  
21 death, the benefit will not revert to a life annuity and no  
22 retroactive payments shall be made.

23 4. If a member designates a spouse as a beneficiary  
24 pursuant to this section and subsequently that marriage ends as a  
25 result of a dissolution of marriage, such dissolution shall not  
26 affect the option election pursuant to this section and the  
27 former spouse shall continue to be eligible to receive survivor  
28 benefits upon the death of the member.

1           5. Effective July 1, 2000, a member may make an election  
2 under option 1 or 2 after the annuity starting date as described  
3 in this section if the member makes such election within one year  
4 from the date of marriage or July 1, 2000, whichever is later,  
5 pursuant to any of the following circumstances:

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

9           (2) The member's annuity reverted to a normal or early  
10 retirement annuity pursuant to subsection 3 of this section, and  
11 the member remarried.

12          6. Effective September 1, 2001, the retirement application  
13 of any member who fails to make an election pursuant to  
14 subsection 1 of this section within ninety days of the annuity  
15 starting date contained in such retirement application shall be  
16 nullified. Any member whose retirement application is nullified  
17 shall not receive retirement benefits until the member files a  
18 new application for retirement pursuant to section 104.1024 and  
19 makes the election pursuant to subsection 1 of this section. In  
20 no event shall any retroactive retirement benefits be paid.

21          7. A member may change a member's election made under this  
22 section at any time prior to the system mailing or electronically  
23 transferring the first annuity payment to such member.

24          104.1039. If a retiree is employed as an employee by a  
25 department, the retiree shall not receive an annuity payment for  
26 any calendar month in which the retiree is so employed. While  
27 reemployed the retiree shall be considered to be a new employee  
28 with no previous credited service [upon subsequent retirement]

1 and must accrue credited service continuously for at least one  
2 year in order to receive any additional annuity. Such retiree  
3 shall receive an additional annuity in addition to the original  
4 annuity, calculated based only on the credited service and the  
5 pay earned by such retiree during reemployment and paid in  
6 accordance with the annuity option originally elected; provided  
7 such retiree who ceases to receive an annuity pursuant to this  
8 section shall not receive such additional annuity if such retiree  
9 is employed by a department in a position that is covered by a  
10 state-sponsored defined benefit retirement plan not created  
11 pursuant to this chapter. The original annuity and any  
12 additional annuity shall be paid commencing as of the end of the  
13 first month after the month during which the retiree's  
14 reemployment terminates.

15 104.1051. 1. Any annuity provided pursuant to the year  
16 2000 plan is marital property and a court of competent  
17 jurisdiction may divide such annuity between the parties to any  
18 action for dissolution of marriage if at the time of the  
19 dissolution the member has at least five years of credited  
20 service pursuant to sections 104.1003 to 104.1093. A division of  
21 benefits order issued pursuant to this section:

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

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

27 (3) Shall identify the monthly amount to be paid to the  
28 former spouse, which shall be expressed as a percentage and which

1 shall not exceed fifty percent of the amount of the member's  
2 annuity accrued during all or part of the period of the marriage  
3 of the member and former spouse and which shall be based on the  
4 member's vested annuity on the date of the dissolution of  
5 marriage or an earlier date as specified in the order, which  
6 amount shall be adjusted proportionately upon the annuity  
7 starting date if the member's annuity is reduced due to the  
8 receipt of an early retirement annuity or the member's annuity is  
9 reduced pursuant to section 104.1027 under an annuity option in  
10 which the member named the alternate payee as beneficiary prior  
11 to the dissolution of marriage;

12 (4) Shall not require the payment of an annuity amount to  
13 the member and former spouse which in total exceeds the amount  
14 which the member would have received without regard to the order;

15 (5) Shall provide that any annuity increases, additional  
16 years of credited service, increased final average pay, increased  
17 pay pursuant to subsections 2 and 5 of section 104.1084, or other  
18 type of increases accrued after the date of the dissolution of  
19 marriage and any temporary annuity received pursuant to  
20 subsection 4 of section 104.1024 shall accrue solely to the  
21 benefit of the member; except that on or after September 1, 2001,  
22 any cost-of-living adjustment (COLA) due after the annuity  
23 starting date shall not be considered to be an increase accrued  
24 after the date of termination of marriage and shall be part of  
25 the monthly amount subject to division pursuant to any order  
26 issued after September 1, 2001;

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

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

3 (8) Shall include the name, address, date of birth, and  
4 Social Security number of both the member and the former spouse,  
5 and the identity of the retirement system to which it applies;

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

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

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

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

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

21 4. Any member of the closed plan who elected the year 2000  
22 plan pursuant to section 104.1015 and then becomes divorced and  
23 subject to a division of benefits order shall have the division  
24 of benefits order calculated pursuant to the provisions of the  
25 year 2000 plan.

26 104.1072. 1. Each board shall provide or contract, or  
27 both, for life insurance benefits for employees covered pursuant  
28 to the year 2000 plan as follows:

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

22           (2) Any member who terminates employment after reaching  
23 normal or early retirement eligibility and becomes a retiree  
24 within sixty days of such termination shall receive five thousand  
25 dollars of life insurance coverage.

26           2. (1) In addition to the life insurance authorized by the  
27 provisions of subsection 1 of this section, any person for whom  
28 life insurance is provided or contracted for pursuant to such

1 subsection may purchase, at the person's own expense and only if  
2 monthly voluntary payroll deductions are authorized, additional  
3 life insurance at a cost to be stipulated in a contract with a  
4 private insurance company or as may be required by a system if  
5 the board of trustees determines that the system should provide  
6 such insurance itself. The maximum amount of additional life  
7 insurance which may be so purchased prior to January 1, 2004, is  
8 that amount which equals six times the amount of the person's  
9 annual rate of pay, subject to any maximum established by a  
10 board, except that if such maximum amount is not evenly divisible  
11 by one thousand dollars, then the maximum amount of additional  
12 insurance which may be purchased is the next higher amount evenly  
13 divisible by one thousand dollars. The maximum amount of  
14 additional life insurance which may be so purchased on or after  
15 January 1, 2004, is an amount to be stipulated in a contract with  
16 a private insurance company or as may be required by the system  
17 if the board of trustees determines that the system should  
18 provide the insurance itself.

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

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

11           (4) Effective July 1, 2000, any member who applies and is  
12 eligible to receive an annuity based on the attainment of at  
13 least forty-eight years of age with a total of years of age and  
14 years of credited service which is at least eighty shall be  
15 eligible to retain any optional life insurance described in  
16 subdivision (1) of this subsection. The amount of such retained  
17 insurance shall not be greater than the amount in effect during  
18 the month prior to termination of employment. Such insurance may  
19 be retained until the member's attainment of the earliest age for  
20 eligibility for reduced Social Security retirement benefits but  
21 no later than age sixty-two, at which time the amount of such  
22 insurance that may be retained shall be that amount permitted  
23 pursuant to subdivision (2) of this subsection.

24           3. The state highways and transportation commission may  
25 provide for insurance benefits to cover medical expenses for  
26 members of the highways and transportation employees' and highway  
27 patrol retirement system. The state highways and transportation  
28 commission may provide medical benefits for dependents of members

1 and for retired members. Contributions by the state highways and  
2 transportation commission to provide the benefits shall be on the  
3 same basis as provided for other state employees pursuant to the  
4 provisions of section 104.515. Except as otherwise provided by  
5 law, the cost of benefits for dependents of members and for  
6 retirees and their dependents shall be paid by the members or  
7 retirees. The commission may contract with other persons or  
8 entities including but not limited to third-party administrators,  
9 health network providers and health maintenance organizations for  
10 all, or any part of, the benefits provided for in this section.  
11 The commission may require reimbursement of any medical claims  
12 paid by the commission's medical plan for which there was  
13 third-party liability.

14 4. The highways and transportation employees' and highway  
15 patrol retirement system may request the state highways and  
16 transportation commission to provide life insurance benefits as  
17 required in subsections 1 and 2 of this section. If the state  
18 highways and transportation commission agrees to the request, the  
19 highways and transportation employees' and highway patrol  
20 retirement system shall reimburse the state highways and  
21 transportation commission for any and all costs for life  
22 insurance provided pursuant to subdivision (2) of subsection 1 of  
23 this section. The person who is covered pursuant to subsection 2  
24 of this section shall be solely responsible for the costs of any  
25 additional life insurance. In lieu of the life insurance benefit  
26 in subdivision (2) of subsection 1 of this section, the highways  
27 and transportation employees' and highway patrol retirement  
28 system is authorized in its sole discretion to provide a death

1 benefit of five thousand dollars.

2 5. To the extent that the board enters or has entered into  
3 any contract with any insurer or service organization to provide  
4 life insurance provided for pursuant to this section:

5 (1) The obligation to provide such life insurance shall be  
6 primarily that of the insurer or service organization and  
7 secondarily that of the board;

8 (2) Any member who has been denied life insurance benefits  
9 by the insurer or service organization and has exhausted all  
10 appeal procedures provided by the insurer or service organization  
11 may appeal such decision by filing a petition against the insurer  
12 or service organization in a court of law in the member's county  
13 of residence; and

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

22 104.1087. 1. If a member has credited service with more  
23 than one selected plan at time of separation of covered  
24 employment from all selected plans, then the annuity payable from  
25 each selected plan shall be based upon the annuity program, pay  
26 record and service record with that selected plan; provided,  
27 however, that the total of credited service with all selected  
28 plans shall be used for the sole purpose of determining whether

1 or not the member has met the credited service requirement  
2 contained in subdivisions (11) and (20) of subsection 1 of  
3 section 104.1003 and subsections 1 and 4 of section 104.1084 for  
4 each selected plan.

5 2. The selected plans cited in this section are:

6 (1) Year 2000 plan - basic provisions;

7 (2) Year 2000 plan - general assembly provisions;

8 (3) Year 2000 plan - statewide elected official provisions.

9 104.1090. 1. Any member who as described in subdivision  
10 (1) of subsection 1 of section 104.1009 has been employed in a  
11 position covered by the system for at least ten or more years and  
12 has received credited service for such employment in the year  
13 2000 plan shall receive additional credited service for previous  
14 public employment within the state covered by another retirement  
15 plan as defined in section 105.691, RSMo, if all of the following  
16 conditions are met:

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

20 (2) The other retirement plan transfers to the system an  
21 amount equal to the employee's account balance under a defined  
22 contribution plan or the amount equal to the employee's pension  
23 benefit obligation under a defined benefit plan at the time of  
24 transfer to the extent that obligation is funded as of the plan's  
25 most recent actuarial valuation, not to exceed one hundred  
26 percent, as determined by the other retirement plan's actuary  
27 using the same assumption used in performing the last regular  
28 actuarial valuation of the transferring plan, except that in no

1 event shall the transferred amount be less than the employee's  
2 accumulated contributions on deposit with the transferring plan;

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

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

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

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

16 105.660. The following words and phrases as used in  
17 sections 105.660 to 105.685, unless a different meaning is  
18 plainly required by the context, shall mean:

19 (1) "Actuarial valuation", a mathematical process which  
20 determines plan financial condition and plan benefit cost;

21 (2) "Actuary", an actuary (I) who is a member of the  
22 American Academy of Actuaries or who is an enrolled actuary under  
23 the Employee Retirement Income Security Act of 1974 and (ii) who  
24 is experienced in retirement plan financing;

25 (3) "Board", the governing board or decision-making body of  
26 a plan that is authorized by law to administer the plan;

27 (4) "Defined benefit plan", a plan providing a definite  
28 benefit formula for calculating retirement benefit amounts;

1 (5) "Defined contribution plan", a plan in which the  
2 contributions are made to an individual retirement account for  
3 each employee;

4 (6) "Funded ratio", the ratio of the actuarial value of  
5 assets over its actuarial accrued liability;

6 (7) "Lump sum benefit plan", payment within one taxable  
7 year of the entire balance to the participant from a plan;

8 (8) "Plan", any retirement system established by the state  
9 of Missouri or any political subdivision or instrumentality of  
10 the state for the purpose of providing plan benefits for elected  
11 or appointed public officials or employees of the state of  
12 Missouri or any political subdivision or instrumentality of the  
13 state;

14 [(4)] (9) "Plan benefit", the benefit amount payable from  
15 a plan together with any supplemental payments from public funds;

16 [(5)] (10) "Substantial proposed change", a proposed  
17 change in future plan benefits which would increase or decrease  
18 the total contribution percent by at least one-quarter of one  
19 percent of active employee payroll, or would increase or decrease  
20 a plan benefit by five percent or more, or would materially  
21 affect the actuarial soundness of the plan. In testing for such  
22 one-quarter of one percent of payroll contribution increase, the  
23 proposed change in plan benefits shall be added to all actual  
24 changes in plan benefits since the last date that an actuarial  
25 valuation was prepared.

26 105.665. 1. The legislative body or committee thereof  
27 which determines the amount and type of plan benefits to be paid  
28 shall, before taking final action on any substantial proposed

1 change in plan benefits, cause to be prepared a statement  
2 regarding the cost of such change.

3 2. The cost statement shall be prepared by an actuary using  
4 the methods used in preparing the most recent periodic actuarial  
5 valuation for the plan and shall, without limitation by  
6 enumeration, include the following:

7 (1) The level normal cost of plan benefits currently in  
8 effect, which cost is expressed as a percent of active employee  
9 payroll;

10 (2) The contribution for unfunded accrued liabilities  
11 currently payable by the plan, which cost is expressed as a  
12 percent of active employee payroll and shall be over a period not  
13 to exceed [~~forty~~] thirty years;

14 (3) The total contribution rate expressed as a percent of  
15 active employees payroll, which contribution rate shall be the  
16 total of the normal cost percent plus the contribution percent  
17 for unfunded accrued liabilities;

18 (4) A statement as to whether the legislative body is  
19 currently paying the total contribution rate as defined in  
20 subdivision (3) of this subsection;

21 (5) The total contribution rate expressed as a percent of  
22 active employee payroll which would be sufficient to adequately  
23 fund the proposed change in benefits;

24 (6) A statement as to whether such additional contributions  
25 are mandated by the proposed change;

26 (7) A statement as to whether or not the proposed change  
27 would in any way impair the ability of the plan to meet the  
28 obligations thereof in effect at the time the proposal is made;

1           (8) All assumptions relied upon to evaluate the present  
2 financial condition of the plan and all assumptions relied upon  
3 to evaluate the impact of the proposed change upon the financial  
4 condition of the plan, which shall be those assumptions used in  
5 preparing the most recent periodic actuarial valuation for the  
6 plan, unless the nature of the proposed change is such that  
7 alternative assumptions are clearly warranted, and shall be made  
8 and stated with respect to at least the following:

9           (a) Investment return;

10          (b) Pay increase;

11          (c) Mortality of employees and officials, and other persons  
12 who may receive benefits under the plan;

13          (d) Withdrawal (turnover);

14          (e) Disability;

15          (f) Retirement ages;

16          (g) Change in active employee group size;

17          (9) The actuary shall certify that in the actuary's opinion  
18 the assumptions used for the valuation produce results which, in  
19 the aggregate, are reasonable;

20          (10) A description of the actuarial funding method used in  
21 preparing the valuation including a description of the method  
22 used and period applied in amortizing unfunded actuarial accrued  
23 liabilities;

24          (11) The increase in the total contribution amount required  
25 to adequately fund the proposed change in benefits, expressed in  
26 annual dollars as determined by multiplying the increase in total  
27 contribution rate by the active employee annual payroll used for  
28 this valuation.

1       105.666. 1. Each plan shall, in conjunction with its staff  
2 and advisors, establish a board member education program, which  
3 shall be in effect on or after January 1, 2008. The curriculum  
4 shall include, at a minimum, education in the areas of duties and  
5 responsibilities of board members as trustees, ethics, governance  
6 process and procedures, pension plan design and administration of  
7 benefits, investments including but not limited to the fiduciary  
8 duties as defined under section 105.688, legal liability and  
9 risks associated with the administration of a plan, sunshine law  
10 requirements under chapter 610, RSMo, actuarial principles and  
11 methods related to plan administration, and the role of staff and  
12 consultants in plan administration. Board members appointed or  
13 elected on a board on or after January 1, 2008, shall complete a  
14 board member education program designated to orient new board  
15 members in the areas described in this section within ninety days  
16 of becoming a new board member. Board members who have served  
17 one or more years shall attend at least two continuing education  
18 programs each year in the areas described in this section.

19       2. Each plan shall, upon the request of any individual  
20 participant, provide an annual pension benefit statement which  
21 shall be written in a manner calculated to be understood by the  
22 average plan participant and may be delivered in written,  
23 electronic, or other appropriate form to the extent such form is  
24 reasonably accessible to each participant or beneficiary. Such  
25 pension benefit statement shall include, but not be limited to,  
26 accrued participant contributions to the plan, total benefits  
27 accrued, date first eligible for a normal retirement benefit, and  
28 projected benefit at normal retirement. Any plan failing to do

1 so shall submit in writing to the joint committee on public  
2 employee retirement as to why the information may not be provided  
3 as requested.

4 105.667. 1. Any appointing authority, board member, or  
5 employee shall be prohibited from receiving any gain or profit  
6 from any funds or transaction of the plan, except benefits from  
7 interest in investments common to all members of the plan, if  
8 entitled thereto.

9 2. Any appointing authority, board member, or employee  
10 accepting any political contribution, gratuity, or compensation  
11 for the purpose of influencing his or her action with respect to  
12 the investment of the funds of the system shall thereby forfeit  
13 his or her office and in addition thereto be subject to the  
14 penalties prescribed for bribery.

15 3. Any trustee, employee, or participant of a plan who  
16 pleads guilty to or is found guilty of a plan-related felony  
17 after August 28, 2007, that is determined by a court of law to  
18 have been directly committed in connection with the member's  
19 duties as either a trustee, employee, or participant of a plan  
20 shall not be eligible to receive any retirement benefits from the  
21 respective plan.

22 105.683. Any plan, other than a plan created under sections  
23 169.010 to 169.141, RSMo, or sections 169.600 to 169.715, RSMo,  
24 whose actuary determines that the plan has a funded ratio below  
25 sixty percent and the political subdivision has failed to make  
26 one hundred percent of the actuarially required contribution  
27 payment for five successive plan years with a descending funded  
28 ratio for five successive plan years after August 28, 2007, shall

1 be deemed delinquent in the contribution payment and such  
2 delinquency in the contribution payment shall constitute a first  
3 lien on the funds of the political subdivision, and the board as  
4 defined under section 105.660 is authorized to compel payment by  
5 application for a writ of mandamus; and in addition, such  
6 delinquency in the contribution payment shall be certified by the  
7 board to the state treasurer and director of the department of  
8 revenue. Until such delinquency in the contribution payment,  
9 together with regular interest, is satisfied, the state treasurer  
10 and director of the department of revenue shall withhold twenty-  
11 five percent of the certified contribution deficiency from the  
12 total moneys due the political subdivision from the state.

13 105.684. 1. Notwithstanding any law to the contrary, no  
14 plan shall adopt or implement any additional benefit increase,  
15 supplement, enhancement, lump sum benefit payments to  
16 participants, or cost-of-living adjustment beyond current plan  
17 provisions in effect prior to August 28, 2007, unless the plan's  
18 actuary determines that the funded ratio prior to such adoption  
19 or implementation is at least eighty percent and will not be less  
20 than seventy-five percent after such adoption or implementation.

21 2. The unfunded actuarial accrued liabilities associated  
22 with benefit changes described in this section shall be amortized  
23 over a period not to exceed twenty years for purposes of  
24 determining the contributions associated with the adoption or  
25 implementation of any such benefit increase, supplement, or  
26 enhancement.

27 3. Any plan with a funded ratio below sixty percent shall  
28 have the actuary prepare an accelerated contribution schedule

1 based on a descending amortization period for inclusion in the  
2 actuarial valuation.

3 4. Nothing in this section shall apply to any plan  
4 established under chapter 70, RSMo, or chapter 476, RSMo.

5 105.910. 1. Sections 105.900 to [105.925] 105.927 shall  
6 provide for the establishment of the "Missouri State Public  
7 Employees Deferred Compensation Fund". This fund shall be  
8 administered by the Missouri state public employees deferred  
9 compensation commission. The commission shall approve any  
10 deferred compensation agreement entered into by the state  
11 [pursuant to] under sections 105.900 to [105.925] 105.927 and  
12 shall oversee the orderly administration of the fund in  
13 compliance with the subsequent provisions of sections 105.900 to  
14 [105.925] 105.927.

15 2. Such commission shall have five commissioners, including  
16 one member of the Missouri state house of representatives to be  
17 selected by the speaker of the house, one member of the Missouri  
18 state senate to be selected by the president pro tempore of the  
19 senate, and three other such commissioners to be appointed by the  
20 governor of the state of Missouri by and with the advice and  
21 consent of the senate. The legislators appointed as  
22 commissioners shall serve during their terms of office in the  
23 general assembly. The commissioners appointed by the governor  
24 shall serve a term of three years; except that, of the  
25 commissioners first appointed, one shall be appointed for a term  
26 of one year, one shall be appointed for a term of two years, and  
27 one shall be appointed for a term of three years. The commission  
28 shall annually elect a chairman and shall be required to meet not

1 less than quarterly or at any other such time as called by the  
2 chairman or a majority of the commission.

3 3. On August 28, 2007, the commission shall transfer  
4 administration of the fund to the board of trustees of the  
5 Missouri state employees' retirement system. Following such  
6 transfer:

7 (1) The board shall assume sole control over and shall be  
8 authorized to administer the fund beginning on the first day of  
9 the month following the month that the commission transfers  
10 administration to the board;

11 (2) The commission shall provide for the orderly transfer  
12 of all records pertaining to the fund, and shall take any other  
13 action necessary for the board to assume its duties under section  
14 105.915; and

15 (3) The commission shall be dissolved upon such transfer.

16 105.915. 1. [Subject to the approval of Missouri state  
17 public employees deferred compensation commission, the office of  
18 administration] The board of trustees of the Missouri state  
19 employees' retirement system shall [establish and] administer [a]  
20 the deferred compensation [plan] fund for the employees of the  
21 state of Missouri that was previously administered by the  
22 deferred compensation commission, as established in section  
23 105.910, prior to August 28, 2007. The board shall be vested  
24 with the same powers that it has under chapter 104, RSMo, to  
25 enable it and its officers, employees, and agents to administer  
26 the fund under sections 105.900 to 105.927. Two of the  
27 commissioners serving on the deferred compensation commission  
28 immediately prior to the transfer made to the board under section

1 105.910 shall serve as ex officio members of the board solely to  
2 participate in the duties of administering the deferred  
3 compensation fund. One such commissioner serving as an ex  
4 officio board member shall be a member of the house of  
5 representatives selected by the speaker of the house of  
6 representatives, and such commissioner's service on the board  
7 shall cease on December 31, 2009. The other commissioner serving  
8 as an ex officio board member shall be the chairman of the  
9 deferred compensation commission immediately prior to the  
10 transfer made to the board under section 105.910, and such  
11 commissioner's service on the board shall cease December 31,  
12 2008.

13 \_\_\_\_\_ 2. Participation in such plan shall be by a specific  
14 written agreement between [such] state employees and the state,  
15 which shall provide for the deferral of such [amount] amounts of  
16 compensation as requested by the employee subject to any  
17 limitations imposed under federal law. Participating employees  
18 must authorize that such deferrals be made from their wages for  
19 the purpose of participation in such program. All assets and  
20 income of such fund shall be held in trust by the board for the  
21 exclusive benefit of participants and their beneficiaries.  
22 Assets of such trust may be pooled solely for investment  
23 management purposes with assets of the trust established under  
24 section 104.320, RSMo.

25 [2] 3. Notwithstanding any other provision of [this code]  
26 sections 105.900 to 105.927, funds held for the state by the  
27 [Missouri public employees deferred compensation commission  
28 pursuant to] board in accordance with written deferred

1 compensation [~~agreement~~] agreements between the state and  
2 participating employees may be invested[, ] in such investments as  
3 are deemed appropriate by the [~~office of administration and~~  
4 ~~approved by the commission, including, but not limited to, life~~  
5 ~~insurance or annuity contracts or mutual funds~~] board. [It is  
6 further provided that all such insurance, annuities, mutual  
7 funds, or other such investment products to be offered pursuant  
8 to this plan shall have been reviewed and selected by the  
9 commission based on a competitive bidding process as established  
10 by such specifications and considerations as are deemed  
11 appropriate by the commission. Such investments shall not be  
12 construed to be a prohibited use of the general assets of the  
13 state] All administrative costs of the program described in this  
14 section, including staffing and overhead expenses, may be paid  
15 out of assets of the fund, which may reduce the amount due  
16 participants in the fund. Such investments shall not be  
17 construed to be a prohibited use of the general assets of the  
18 state.

19 [3] 4. [In no case shall such investment be offered by  
20 other than such persons and companies authorized and duly  
21 licensed by the state of Missouri and applicable federal  
22 regulatory agencies to offer such insurance or investment  
23 programs in compliance with all relevant provisions of this  
24 code.] Investments offered under the deferred compensation fund  
25 for the employees of the state of Missouri shall be made  
26 available at the discretion of the board.

27 5. The board and employees of the Missouri state employees'  
28 retirement system shall be immune from suit and shall not be

1 subject to any claim or liability associated with any  
2 administrative actions or decisions made by the commission with  
3 regard to the deferred compensation program prior to the transfer  
4 made to the board under section 105.910.

5 6. The board and employees of the system shall not be  
6 liable for the investment decisions made or not made by  
7 participating employees as long as the board acts with the same  
8 skill, prudence, and diligence in the selection and monitoring of  
9 providers of investment products, education, advice, or any  
10 default investment option, under the circumstances then  
11 prevailing that a prudent person acting in a similar capacity and  
12 familiar with those matters would use in the conduct of a similar  
13 enterprise with similar aims.

14 7. The system shall be immune from suit and shall not be  
15 subject to any claim or liability associated with the  
16 administration of the deferred compensation fund by the board and  
17 employees of the system.

18 169.010. The following words and phrases, as used in  
19 sections 169.010 to 169.130, unless a different meaning is  
20 plainly required by the context, shall have the following  
21 meanings:

22 (1) "Accumulated contributions" shall mean the sum of the  
23 annual contributions a member has made to the retirement system  
24 through deductions from the member's salary, plus interest  
25 compounded annually on each year's contributions from the end of  
26 the school year during which such contributions were made;

27 (2) "Board" shall mean the board of trustees provided for  
28 in sections 169.010 to 169.130;

1 (3) "Creditable service" shall mean prior service or  
2 membership service, or the sum of the two, if the member has both  
3 to the member's credit;

4 (4) "District" shall mean public school, as herein defined;

5 (5) "Employ" shall have a meaning agreeable with that  
6 herein given to employer and employee;

7 (6) "Employee" shall be synonymous with the term "teacher"  
8 as the same is herein defined;

9 (7) "Employer" shall mean the district that makes payment  
10 directly to the teacher or employee for such person's services;

11 (8) "Final average salary" shall mean the total  
12 compensation payable to a member for any three consecutive years  
13 of creditable service, as elected by the member, divided by  
14 thirty-six; with the proviso that any annual compensation  
15 entering into the total compensation shall not exceed twelve  
16 thousand six hundred dollars for any year prior to July 1, 1967;  
17 and with the proviso that the board may set a maximum percentage  
18 of increase in annual compensation from one year to the next in  
19 the final average salary period. In no instance shall the  
20 maximum percentage of increase in annual compensation from one  
21 year to the next in the final average salary period exceed ten  
22 percent. This limit will not apply to increases due to bonafide  
23 changes in position or employer increases required by state  
24 statute, or district wide salary schedule adjustments for  
25 previously unrecognized education related services;

26 (9) "Member" shall mean a person who holds membership in  
27 the retirement system;

28 (10) "Membership service" shall mean service rendered by a

1 member of the retirement system after the system becomes  
2 operative, and may include a period of service in the armed  
3 forces of the United States as provided for in section 169.055;

4 (11) "Prior service" shall mean service rendered by a  
5 member of the retirement system before the system becomes  
6 operative, and may include service rendered by a member of the  
7 armed forces if the member was a teacher at the time the member  
8 was inducted, for which credit has been approved by the board of  
9 trustees;

10 (12) "Public school" shall mean any school conducted within  
11 the state under the authority and supervision of a duly elected  
12 district or city or town board of directors or board of education  
13 and the board of regents of the several state teachers' colleges,  
14 or state colleges, board of trustees of the public school  
15 retirement system of Missouri, and also the state of Missouri and  
16 each county thereof, to the extent that the state and the several  
17 counties are employers of teachers as herein designated;

18 (13) "Retirement allowance" shall mean a monthly payment  
19 for life during retirement;

20 (14) "Retirement system" or "system" shall mean the public  
21 school retirement system of Missouri created by sections 169.010  
22 to 169.130;

23 (15) "Salary", "salary rate" or "compensation" shall mean  
24 the regular remuneration, including any payments made pursuant to  
25 sections 168.500 to 168.515, RSMo, which is earned by a member as  
26 an employee of a district, but not including employer-paid fringe  
27 benefits except the value of employer-paid medical benefits  
28 (including dental and vision) for members, and not including

1 employer-paid medical benefits (including dental and vision) for  
2 anyone other than the member, employer contributions to any  
3 deferred compensation plan, consideration for agreeing to  
4 terminate employment or other nonrecurring or unusual payments  
5 that are not a part of regular remuneration. The board by its  
6 rules may further define salary, salary rate and compensation in  
7 a manner consistent with this definition and with sections  
8 169.010 to 169.141;

9 (16) "School year" shall mean the year from July first of  
10 one year to June thirtieth of next year, inclusive, which shall  
11 also be the fiscal year of the system;

12 (17) "Teacher" shall mean any person who shall be employed  
13 by any public school, on a full-time basis and who shall be duly  
14 certificated under the law governing the certification of  
15 teachers; any person employed in the state department of  
16 elementary and secondary education or by the state board of  
17 education on a full-time basis who shall be duly certificated  
18 under the law governing the certification of teachers and who did  
19 not become a member of the Missouri state employees' retirement  
20 system pursuant to section 104.342, RSMo; and persons employed by  
21 the board of trustees of the public school retirement system of  
22 Missouri on a full-time basis who shall be duly certified under  
23 the law governing the certification of teachers. The term  
24 "teacher" shall be synonymous with the term "employee" as defined  
25 in this section.

26 169.070. 1. The retirement allowance of a member whose age  
27 at retirement is sixty years or more and whose creditable service  
28 is five years or more, or whose sum of age and creditable service

1 equals eighty years or more, or who has attained age fifty-five  
2 and whose creditable service is twenty-five years or more or  
3 whose creditable service is thirty years or more regardless of  
4 age, may be the sum of the following items, not to exceed one  
5 hundred percent of the member's final average salary:

6 (1) Two and five-tenths percent of the member's final  
7 average salary for each year of membership service;

8 (2) Six-tenths of the amount payable for a year of  
9 membership service for each year of prior service not exceeding  
10 thirty years.

11 In lieu of the retirement allowance otherwise provided in  
12 subdivisions (1) and (2) of this subsection, a member may elect  
13 to receive a retirement allowance of:

14 (3) Between July 1, 1998, and July 1, [2008] 2013, two and  
15 four-tenths percent of the member's final average salary for each  
16 year of membership service, if the member's creditable service is  
17 twenty-nine years or more but less than thirty years, and the  
18 member has not attained age fifty-five;

19 (4) Between July 1, 1998, and July 1, [2008] 2013, two and  
20 thirty-five-hundredths percent of the member's final average  
21 salary for each year of membership service, if the member's  
22 creditable service is twenty-eight years or more but less than  
23 twenty-nine years, and the member has not attained age  
24 fifty-five;

25 (5) Between July 1, 1998, and July 1, [2008] 2013, two and  
26 three-tenths percent of the member's final average salary for  
27 each year of membership service, if the member's creditable  
28 service is twenty-seven years or more but less than twenty-eight

1 years, and the member has not attained age fifty-five;

2 (6) Between July 1, 1998, and July 1, [2008] 2013, two and  
3 twenty-five-hundredths percent of the member's final average  
4 salary for each year of membership service, if the member's  
5 creditable service is twenty-six years or more but less than  
6 twenty-seven years, and the member has not attained age  
7 fifty-five;

8 (7) Between July 1, 1998, and July 1, [2008] 2013, two and  
9 two-tenths percent of the member's final average salary for each  
10 year of membership service, if the member's creditable service is  
11 twenty-five years or more but less than twenty-six years, and the  
12 member has not attained age fifty-five;

13 (8) Between July 1, 2001, and July 1, [2008] 2013, two and  
14 fifty-five hundredths percent of the member's final average  
15 salary for each year of membership service, if the member's  
16 creditable service is thirty-one years or more regardless of age.

17 2. In lieu of the retirement allowance provided in  
18 subsection 1 of this section, a member whose age is sixty years  
19 or more on September 28, 1975, may elect to have the member's  
20 retirement allowance calculated as a sum of the following items:

21 (1) Sixty cents plus one and five-tenths percent of the  
22 member's final average salary for each year of membership  
23 service;

24 (2) Six-tenths of the amount payable for a year of  
25 membership service for each year of prior service not exceeding  
26 thirty years;

27 (3) Three-fourths of one percent of the sum of subdivisions  
28 (1) and (2) of this subsection for each month of attained age in

1 excess of sixty years but not in excess of age sixty-five.

2 3. (1) In lieu of the retirement allowance provided either  
3 in subsection 1 or 2 of this section, collectively called "option  
4 1", a member whose creditable service is twenty-five years or  
5 more or who has attained the age of fifty-five with five or more  
6 years of creditable service may elect in the member's application  
7 for retirement to receive the actuarial equivalent of the  
8 member's retirement allowance in reduced monthly payments for  
9 life during retirement with the provision that:

10 Option 2. Upon the member's death the reduced retirement  
11 allowance shall be continued throughout the life of and paid to  
12 such person as has an insurable interest in the life of the  
13 member as the member shall have nominated in the member's  
14 election of the option, and provided further that if the person  
15 so nominated dies before the retired member, the retirement  
16 allowance will be increased to the amount the retired member  
17 would be receiving had the retired member elected option 1;

18 OR

19 Option 3. Upon the death of the member three-fourths of the  
20 reduced retirement allowance shall be continued throughout the  
21 life of and paid to such person as has an insurable interest in  
22 the life of the member and as the member shall have nominated in  
23 an election of the option, and provided further that if the  
24 person so nominated dies before the retired member, the  
25 retirement allowance will be increased to the amount the retired  
26 member would be receiving had the member elected option 1;

27 OR

28 Option 4. Upon the death of the member one-half of the

1 reduced retirement allowance shall be continued throughout the  
2 life of, and paid to, such person as has an insurable interest in  
3 the life of the member and as the member shall have nominated in  
4 an election of the option, and provided further that if the  
5 person so nominated dies before the retired member, the  
6 retirement allowance shall be increased to the amount the retired  
7 member would be receiving had the member elected option 1;

8 OR

9 Option 5. Upon the death of the member prior to the member  
10 having received one hundred twenty monthly payments of the  
11 member's reduced allowance, the remainder of the one hundred  
12 twenty monthly payments of the reduced allowance shall be paid to  
13 such beneficiary as the member shall have nominated in the  
14 member's election of the option or in a subsequent nomination. If  
15 there is no beneficiary so nominated who survives the member for  
16 the remainder of the one hundred twenty monthly payments, the  
17 total of the remainder of such one hundred twenty monthly  
18 payments shall be paid to the estate of the last person to  
19 receive a monthly allowance. If the total of the one hundred  
20 twenty payments paid to the retired individual and the  
21 beneficiary of the retired individual is less than the total of  
22 the member's accumulated contributions, the difference shall be  
23 paid to the beneficiary in a lump sum;

24 OR

25 Option 6. Upon the death of the member prior to the member  
26 having received sixty monthly payments of the member's reduced  
27 allowance, the remainder of the sixty monthly payments of the  
28 reduced allowance shall be paid to such beneficiary as the member

1 shall have nominated in the member's election of the option or in  
2 a subsequent nomination. If there is no beneficiary so nominated  
3 who survives the member for the remainder of the sixty monthly  
4 payments, the total of the remainder of such sixty monthly  
5 payments shall be paid to the estate of the last person to  
6 receive a monthly allowance. If the total of the sixty payments  
7 paid to the retired individual and the beneficiary of the retired  
8 individual is less than the total of the member's accumulated  
9 contributions, the difference shall be paid to the beneficiary in  
10 a lump sum.

11 (2) The election of an option may be made only in the  
12 application for retirement and such application must be filed  
13 prior to the date on which the retirement of the member is to be  
14 effective. If either the member or the person nominated to  
15 receive the survivorship payments dies before the effective date  
16 of retirement, the option shall not be effective, provided that:

17 (a) If the member or a person retired on disability  
18 retirement dies after acquiring twenty-five or more years of  
19 creditable service or after attaining the age of fifty-five years  
20 and acquiring five or more years of creditable service and before  
21 retirement, except retirement with disability benefits, and the  
22 person named by the member as the member's beneficiary has an  
23 insurable interest in the life of the deceased member, the  
24 designated beneficiary may elect to receive either survivorship  
25 benefits under option 2 or a payment of the accumulated  
26 contributions of the member. If survivorship benefits under  
27 option 2 are elected and the member at the time of death would  
28 have been eligible to receive an actuarial equivalent of the

1 member's retirement allowance, the designated beneficiary may  
2 further elect to defer the option 2 payments until the date the  
3 member would have been eligible to receive the retirement  
4 allowance provided in subsection 1 or 2 of this section;

5 (b) If the member or a person retired on disability  
6 retirement dies before attaining age fifty-five but after  
7 acquiring five but fewer than twenty-five years of creditable  
8 service, and the person named as the member's beneficiary has an  
9 insurable interest in the life of the deceased member, the  
10 designated beneficiary may elect to receive either a payment of  
11 the member's accumulated contributions, or survivorship benefits  
12 under option 2 to begin on the date the member would first have  
13 been eligible to receive an actuarial equivalent of the member's  
14 retirement allowance, or to begin on the date the member would  
15 first have been eligible to receive the retirement allowance  
16 provided in subsection 1 or 2 of this section.

17 4. If the total of the retirement or disability allowance  
18 paid to an individual before the death of the individual is less  
19 than the accumulated contributions at the time of retirement, the  
20 difference shall be paid to the beneficiary of the individual, or  
21 to the (1) surviving spouse, (2) surviving children in equal  
22 shares, (3) surviving parents in equal shares, or (4) estate of  
23 the individual in that order of precedence. If an optional  
24 benefit as provided in option 2, 3 or 4 in subsection 3 of this  
25 section had been elected, and the beneficiary dies after  
26 receiving the optional benefit, and if the total retirement  
27 allowance paid to the retired individual and the beneficiary of  
28 the retired individual is less than the total of the

1 contributions, the difference shall be paid to the (1) surviving  
2 spouse, (2) surviving children in equal shares, (3) surviving  
3 parents in equal shares, or (4) estate of the beneficiary, in  
4 that order of precedence, unless the retired individual  
5 designates a different recipient with the board at or after  
6 retirement.

7 5. If a member dies before receiving a retirement  
8 allowance, the member's accumulated contributions at the time of  
9 the death of the member shall be paid to the beneficiary of the  
10 member or, if there is no beneficiary, to the (1) surviving  
11 spouse, (2) surviving children in equal shares, (3) surviving  
12 parents in equal shares, or (4) to the estate of the member in  
13 that order of precedence; except that, no such payment shall be  
14 made if the beneficiary elects option 2 in subsection 3 of this  
15 section, unless the beneficiary dies before having received  
16 benefits pursuant to that subsection equal to the accumulated  
17 contributions of the member, in which case the amount of  
18 accumulated contributions in excess of the total benefits paid  
19 pursuant to that subsection shall be paid to the (1) surviving  
20 spouse, (2) surviving children in equal shares, (3) surviving  
21 parents in equal shares, or (4) estate of the beneficiary, in  
22 that order of precedence.

23 6. If a member ceases to be a public school employee as  
24 herein defined and certifies to the board of trustees that such  
25 cessation is permanent, or if the membership of the person is  
26 otherwise terminated, the member shall be paid the member's  
27 accumulated contributions with interest.

28 7. Notwithstanding any provisions of sections 169.010 to

1 169.141 to the contrary, if a member ceases to be a public school  
2 employee after acquiring five or more years of membership service  
3 in Missouri, the member may at the option of the member leave the  
4 member's contributions with the retirement system and claim a  
5 retirement allowance any time after reaching the minimum age for  
6 voluntary retirement. When the member's claim is presented to  
7 the board, the member shall be granted an allowance as provided  
8 in sections 169.010 to 169.141 on the basis of the member's age,  
9 years of service, and the provisions of the law in effect at the  
10 time the member requests the member's retirement to become  
11 effective.

12 8. The retirement allowance of a member retired because of  
13 disability shall be nine-tenths of the allowance to which the  
14 member's creditable service would entitle the member if the  
15 member's age were sixty, or fifty percent of one-twelfth of the  
16 annual salary rate used in determining the member's contributions  
17 during the last school year for which the member received a year  
18 of creditable service immediately prior to the member's  
19 disability, whichever is greater, except that no such allowance  
20 shall exceed the retirement allowance to which the member would  
21 have been entitled upon retirement at age sixty if the member had  
22 continued to teach from the date of disability until age sixty at  
23 the same salary rate.

24 9. Notwithstanding any provisions of sections 169.010 to  
25 169.141 to the contrary, from October 13, 1961, the contribution  
26 rate pursuant to sections 169.010 to 169.141 shall be multiplied  
27 by the factor of two-thirds for any member of the system for whom  
28 federal Old Age and Survivors Insurance tax is paid from state or

1 local tax funds on account of the member's employment entitling  
2 the person to membership in the system. The monetary benefits  
3 for a member who elected not to exercise an option to pay into  
4 the system a retroactive contribution of four percent on that  
5 part of the member's annual salary rate which was in excess of  
6 four thousand eight hundred dollars but not in excess of eight  
7 thousand four hundred dollars for each year of employment in a  
8 position covered by this system between July 1, 1957, and July 1,  
9 1961, as provided in subsection 10 of this section as it appears  
10 in RSMo, 1969, shall be the sum of:

11 (1) For years of service prior to July 1, 1946, six-tenths  
12 of the full amount payable for years of membership service;

13 (2) For years of membership service after July 1, 1946, in  
14 which the full contribution rate was paid, full benefits under  
15 the formula in effect at the time of the member's retirement;

16 (3) For years of membership service after July 1, 1957, and  
17 prior to July 1, 1961, the benefits provided in this section as  
18 it appears in RSMo, 1959; except that if the member has at least  
19 thirty years of creditable service at retirement the member shall  
20 receive the benefit payable pursuant to that section as though  
21 the member's age were sixty-five at retirement;

22 (4) For years of membership service after July 1, 1961, in  
23 which the two-thirds contribution rate was paid, two-thirds of  
24 the benefits under the formula in effect at the time of the  
25 member's retirement.

26 10. The monetary benefits for each other member for whom  
27 federal Old Age and Survivors Insurance tax is or was paid at any  
28 time from state or local funds on account of the member's

1 employment entitling the member to membership in the system shall  
2 be the sum of:

3 (1) For years of service prior to July 1, 1946, six-tenths  
4 of the full amount payable for years of membership service;

5 (2) For years of membership service after July 1, 1946, in  
6 which the full contribution rate was paid, full benefits under  
7 the formula in effect at the time of the member's retirement;

8 (3) For years of membership service after July 1, 1957, in  
9 which the two-thirds contribution rate was paid, two-thirds of  
10 the benefits under the formula in effect at the time of the  
11 member's retirement.

12 11. Any retired member of the system who was retired prior  
13 to September 1, 1972, or beneficiary receiving payments under  
14 option 1 or option 2 of subsection 3 of this section, as such  
15 option existed prior to September 1, 1972, will be eligible to  
16 receive an increase in the retirement allowance of the member of  
17 two percent for each year, or major fraction of more than  
18 one-half of a year, which the retired member has been retired  
19 prior to July 1, 1975. This increased amount shall be payable  
20 commencing with January, 1976, and shall thereafter be referred  
21 to as the member's retirement allowance. The increase provided  
22 for in this subsection shall not affect the retired member's  
23 eligibility for compensation provided for in section 169.580 or  
24 169.585, nor shall the amount being paid pursuant to these  
25 sections be reduced because of any increases provided for in this  
26 section.

27 12. If the board of trustees determines that the cost of  
28 living, as measured by generally accepted standards, increases

1 two percent or more in the preceding fiscal year, the board shall  
2 increase the retirement allowances which the retired members or  
3 beneficiaries are receiving by two percent of the amount being  
4 received by the retired member or the beneficiary at the time the  
5 annual increase is granted by the board with the provision that  
6 the increases provided for in this subsection shall not become  
7 effective until the fourth January first following the member's  
8 retirement or January 1, 1977, whichever later occurs, or in the  
9 case of any member retiring on or after July 1, 2000, the  
10 increase provided for in this subsection shall not become  
11 effective until the third January first following the member's  
12 retirement, or in the case of any member retiring on or after  
13 July 1, 2001, the increase provided for in this subsection shall  
14 not become effective until the second January first following the  
15 member's retirement. Commencing with January 1, 1992, if the  
16 board of trustees determines that the cost of living has  
17 increased five percent or more in the preceding fiscal year, the  
18 board shall increase the retirement allowances by five percent.  
19 The total of the increases granted to a retired member or the  
20 beneficiary after December 31, 1976, may not exceed eighty  
21 percent of the retirement allowance established at retirement or  
22 as previously adjusted by other subsections. If the cost of  
23 living increases less than five percent, the board of trustees  
24 may determine the percentage of increase to be made in retirement  
25 allowances, but at no time can the increase exceed five percent  
26 per year. If the cost of living decreases in a fiscal year,  
27 there will be no increase in allowances for retired members on  
28 the following January first.

1           13. The board of trustees may reduce the amounts which have  
2 been granted as increases to a member pursuant to subsection 12  
3 of this section if the cost of living, as determined by the board  
4 and as measured by generally accepted standards, is less than the  
5 cost of living was at the time of the first increase granted to  
6 the member; except that, the reductions shall not exceed the  
7 amount of increases which have been made to the member's  
8 allowance after December 31, 1976.           14. Any application for  
9 retirement shall include a sworn statement by the member  
10 certifying that the spouse of the member at the time the  
11 application was completed was aware of the application and the  
12 plan of retirement elected in the application.

13           15. Notwithstanding any other provision of law, any person  
14 retired prior to September 28, 1983, who is receiving a reduced  
15 retirement allowance under option 1 or option 2 of subsection 3  
16 of this section, as such option existed prior to September 28,  
17 1983, and whose beneficiary nominated to receive continued  
18 retirement allowance payments under the elected option dies or  
19 has died, shall upon application to the board of trustees have  
20 his or her retirement allowance increased to the amount he or she  
21 would have been receiving had the option not been elected,  
22 actuarially adjusted to recognize any excessive benefits which  
23 would have been paid to him or her up to the time of application.

24           16. Benefits paid pursuant to the provisions of the public  
25 school retirement system of Missouri shall not exceed the  
26 limitations of Section 415 of Title 26 of the United States Code  
27 except as provided pursuant to this subsection. Notwithstanding  
28 any other law to the contrary, the board of trustees may

1 establish a benefit plan pursuant to Section 415(m) of Title 26  
2 of the United States Code. Such plan shall be created solely for  
3 the purpose described in Section 415(m) (3) (A) of Title 26 of the  
4 United States Code. The board of trustees may promulgate  
5 regulations necessary to implement the provisions of this  
6 subsection and to create and administer such benefit plan.

7 17. Notwithstanding any other provision of law to the  
8 contrary, any person retired before, on, or after May 26, 1994,  
9 shall be made, constituted, appointed and employed by the board  
10 as a special consultant on the matters of education, retirement  
11 and aging, and upon request shall give written or oral opinions  
12 to the board in response to such requests. As compensation for  
13 such duties the person shall receive an amount based on the  
14 person's years of service so that the total amount received  
15 pursuant to sections 169.010 to 169.141 shall be at least the  
16 minimum amounts specified in subdivisions (1) to (4) of this  
17 subsection. In determining the minimum amount to be received,  
18 the amounts in subdivisions (3) and (4) of this subsection shall  
19 be adjusted in accordance with the actuarial adjustment, if any,  
20 that was applied to the person's retirement allowance. In  
21 determining the minimum amount to be received, beginning  
22 September 1, 1996, the amounts in subdivisions (1) and (2) of  
23 this subsection shall be adjusted in accordance with the  
24 actuarial adjustment, if any, that was applied to the person's  
25 retirement allowance due to election of an optional form of  
26 retirement having a continued monthly payment after the person's  
27 death. Notwithstanding any other provision of law to the  
28 contrary, no person retired before, on, or after May 26, 1994,

1 and no beneficiary of such a person, shall receive a retirement  
2 benefit pursuant to sections 169.010 to 169.141 based on the  
3 person's years of service less than the following amounts:

4 (1) Thirty or more years of service, one thousand two  
5 hundred dollars;

6 (2) At least twenty-five years but less than thirty years,  
7 one thousand dollars;

8 (3) At least twenty years but less than twenty-five years,  
9 eight hundred dollars;

10 (4) At least fifteen years but less than twenty years, six  
11 hundred dollars.

12 18. Notwithstanding any other provisions of law to the  
13 contrary, any person retired prior to May 26, 1994, and any  
14 designated beneficiary of such a retired member who was deceased  
15 prior to July 1, 1999, shall be made, constituted, appointed and  
16 employed by the board as a special consultant on the matters of  
17 education, retirement or aging and upon request shall give  
18 written or oral opinions to the board in response to such  
19 requests. Beginning September 1, 1996, as compensation for such  
20 service, the member shall have added, pursuant to this  
21 subsection, to the member's monthly annuity as provided by this  
22 section a dollar amount equal to the lesser of sixty dollars or  
23 the product of two dollars multiplied by the member's number of  
24 years of creditable service. Beginning September 1, 1999, the  
25 designated beneficiary of the deceased member shall as  
26 compensation for such service have added, pursuant to this  
27 subsection, to the monthly annuity as provided by this section a  
28 dollar amount equal to the lesser of sixty dollars or the product

1 of two dollars multiplied by the member's number of years of  
2 creditable service. The total compensation provided by this  
3 section including the compensation provided by this subsection  
4 shall be used in calculating any future cost-of-living  
5 adjustments provided by subsection 12 of this section.

6 19. Any member who has retired prior to July 1, 1998, and  
7 the designated beneficiary of a deceased retired member shall be  
8 made, constituted, appointed and employed by the board as a  
9 special consultant on the matters of education, retirement and  
10 aging, and upon request shall give written or oral opinions to  
11 the board in response to such requests. As compensation for such  
12 duties the person shall receive a payment equivalent to eight and  
13 seven-tenths percent of the previous month's benefit, which shall  
14 be added to the member's or beneficiary's monthly annuity and  
15 which shall not be subject to the provisions of subsections 12  
16 and 13 of this section for the purposes of the limit on the total  
17 amount of increases which may be received.

18 20. Any member who has retired shall be made, constituted,  
19 appointed and employed by the board as a special consultant on  
20 the matters of education, retirement and aging, and upon request  
21 shall give written or oral opinions to the board in response to  
22 such request. As compensation for such duties, the beneficiary  
23 of the retired member, or, if there is no beneficiary, the (1)  
24 surviving spouse, (2) surviving children in equal shares, (3)  
25 surviving parents in equal shares, or (4) estate of the retired  
26 member, in that order of precedence, shall receive as a part of  
27 compensation for these duties a death benefit of five thousand  
28 dollars.

1           21. Any member who has retired prior to July 1, 1999, and  
2 the designated beneficiary of a retired member who was deceased  
3 prior to July 1, 1999, shall be made, constituted, appointed and  
4 employed by the board as a special consultant on the matters of  
5 education, retirement and aging, and upon request shall give  
6 written or oral opinions to the board in response to such  
7 requests. As compensation for such duties, the person shall have  
8 added, pursuant to this subsection, to the monthly annuity as  
9 provided by this section a dollar amount equal to five dollars  
10 times the member's number of years of creditable service.

11           22. Any member who has retired prior to July 1, 2000, and  
12 the designated beneficiary of a deceased retired member shall be  
13 made, constituted, appointed and employed by the board as a  
14 special consultant on the matters of education, retirement and  
15 aging, and upon request shall give written or oral opinions to  
16 the board in response to such requests. As compensation for such  
17 duties, the person shall receive a payment equivalent to three  
18 and five-tenths percent of the previous month's benefit, which  
19 shall be added to the member or beneficiary's monthly annuity and  
20 which shall not be subject to the provisions of subsections 12  
21 and 13 of this section for the purposes of the limit on the total  
22 amount of increases which may be received.

23           23. Any member who has retired prior to July 1, 2001, and  
24 the designated beneficiary of a deceased retired member shall be  
25 made, constituted, appointed and employed by the board as a  
26 special consultant on the matters of education, retirement and  
27 aging, and upon request shall give written or oral opinions to  
28 the board in response to such requests. As compensation for such

1 duties, the person shall receive a dollar amount equal to three  
2 dollars times the member's number of years of creditable service,  
3 which shall be added to the member's or beneficiary's monthly  
4 annuity and which shall not be subject to the provisions of  
5 subsections 12 and 13 of this section for the purposes of the  
6 limit on the total amount of increases which may be received.

7 169.466. 1. Any retired member with fifteen or more years  
8 of creditable service at retirement receiving [a pension]  
9 retirement benefits on August 28, 1997, shall receive on January  
10 first of each year, commencing on January 1, 1998, an increase in  
11 the amount of [pension] benefits received by the retired member  
12 pursuant to sections 169.410 to 169.540 during the preceding year  
13 of one hundred percent of the increase in the consumer price  
14 index calculated in the manner provided in this section; except  
15 that, no such increase in [pension] retirement benefits shall be  
16 paid for any year if such increase in the consumer price index is  
17 less than one percent. Such annual [pension] retirement benefit  
18 increase, however, shall not exceed three percent [and the total  
19 increases in the amount of pension benefits received by any  
20 retired member shall not, in the aggregate, exceed ten percent of  
21 the pension benefits such retired member received during the year  
22 preceding January first of the first year the retired member is  
23 entitled to receive an increase pursuant to this section]. A  
24 retired member qualified to receive an annual [pension]  
25 retirement benefit increase pursuant to this section shall not be  
26 eligible to receive an additional benefit until the January first  
27 after the first anniversary of the date on which he or she  
28 commenced receiving [a pension] retirement benefits pursuant to

1 sections 169.410 to 169.540. Benefits shall not be decreased in  
2 the case of a decrease in the consumer price index for any year.

3 2. For the purpose of this section, any increase in the  
4 consumer price index shall be determined by the board of trustees  
5 in November of each year based on the consumer price index for  
6 the twelve-month period ended on September thirtieth of such year  
7 over the consumer price index for the twelve-month period ended  
8 on September thirtieth of the year immediately prior thereto.

9 Any increase so determined shall be applied by the board of  
10 trustees in calculating increases in [pension] retirement  
11 benefits that become payable pursuant to this section for the  
12 twelve-month period beginning on the January first immediately  
13 following such determination.

14 3. An annual increase in [pension] retirement benefits, if any, shall be payable monthly  
15 with monthly installments of other [pension] retirement benefits  
16 pursuant to sections 169.410 to 169.540.

17 169.471. 1. The board of education is authorized from time  
18 to time, in its discretion, to increase the [pension] retirement  
19 benefits now or hereafter provided pursuant to sections 169.410  
20 to 169.540 and to adopt and implement additional [pension]  
21 retirement benefits and plans, including without limitation,  
22 early retirement plans, deferred retirement option plans and  
23 cost-of-living adjustments, but excluding compensation to retired  
24 members pursuant to section 169.475, and for such purpose the  
25 contribution rate of members of the retirement system may be  
26 increased to provide part of the cost thereof, subject to the  
27 following conditions:

28 (1) Any such increase in [pension] retirement benefits and

1 additional [pension] retirement benefits and plans shall be  
2 approved by the board of trustees;

3 (2) The board of trustees shall have presented to the board  
4 of education the projected increases in rates of contribution  
5 which will be required to be made by members and the board of  
6 education to the retirement system to pay the cost of such  
7 increases in [pension] retirement benefits and additional  
8 [pension] retirement benefits and plans; and

9 (3) Any increase in the contribution rate of members of the  
10 retirement system shall be approved by the board of trustees and  
11 shall be deducted from the compensation of each member by the  
12 employing board and transferred and credited to the individual  
13 account of each member from whose compensation the deduction was  
14 made, and shall be administered in accordance with sections  
15 169.410 to 169.540; provided that, any such increase in the  
16 members' contribution rate shall not exceed one-half of one  
17 percent of compensation in any year for such increases to  
18 [pension] retirement benefits and additional [pension] retirement  
19 benefits and plans adopted during such year by the board of  
20 education pursuant to this section, and all such increases in the  
21 members' contribution rate shall, in the aggregate, not exceed  
22 two percent of compensation.

23 2. The board of trustees is authorized from time to time,  
24 in its discretion, to increase the retirement benefits, now or  
25 hereinafter provided under sections 169.410 to 169.540, and to  
26 adopt and implement additional retirement benefits for persons  
27 who have retired, including cost-of-living adjustments, provided  
28 that the board of trustees finds the additional benefit will not

1 require an increase in the contribution rate required by the  
2 members, will not increase the contribution required from the  
3 board of education, and is actuarially sound. In the event the  
4 board of trustees authorizes an increase under this section, it  
5 shall certify in writing to the board of education the findings,  
6 including but not limited to all actuarial assumptions, upon  
7 which the board of trustees determined that the increase in  
8 benefits would result in no increase in contributions by members  
9 or the board of education.

10 169.670. 1. The retirement allowance of a member whose age  
11 at retirement is sixty years or more and whose creditable service  
12 is five years or more, or whose sum of age and creditable service  
13 equals eighty years or more, or whose creditable service is  
14 thirty years or more regardless of age, shall be the sum of the  
15 following items:

16 (1) For each year of membership service, one and sixty-one  
17 hundredths percent of the member's final average salary;

18 (2) Six-tenths of the amount payable for a year of  
19 membership service for each year of prior service;

20 (3) Eighty-five one-hundredths of one percent of any amount  
21 by which the member's average compensation for services rendered  
22 prior to July 1, 1973, exceeds the average monthly compensation  
23 on which federal Social Security taxes were paid during the  
24 period over which such average compensation was computed, for  
25 each year of membership service credit for services rendered  
26 prior to July 1, 1973, plus six-tenths of the amount payable for  
27 a year of membership service for each year of prior service  
28 credit;

1           (4) In lieu of the retirement allowance otherwise provided  
2 by subdivisions (1) to (3) of this subsection, between July 1,  
3 2001, and July 1, ~~[2008]~~ 2013, a member may elect to receive a  
4 retirement allowance of:

5           (a) One and fifty-nine hundredths percent of the member's  
6 final average salary for each year of membership service, if the  
7 member's creditable service is twenty-nine years or more but less  
8 than thirty years and the member has not attained the age of  
9 fifty-five;

10           (b) One and fifty-seven hundredths percent of the member's  
11 final average salary for each year of membership service, if the  
12 member's creditable service is twenty-eight years or more but  
13 less than twenty-nine years, and the member has not attained the  
14 age of fifty-five;

15           (c) One and fifty-five hundredths percent of the member's  
16 final average salary for each year of membership service, if the  
17 member's creditable service is twenty-seven years or more but  
18 less than twenty-eight years and the member has not attained the  
19 age of fifty-five;

20           (d) One and fifty-three hundredths percent of the member's  
21 final average salary for each year of membership service, if the  
22 member's creditable service is twenty-six years or more but less  
23 than twenty-seven years and the member has not attained the age  
24 of fifty-five;

25           (e) One and fifty-one hundredths percent of the member's  
26 final average salary for each year of membership service, if the  
27 member's creditable service is twenty-five years or more but less  
28 than twenty-six years and the member has not attained the age of

1 fifty-five; and

2 (5) In addition to the retirement allowance provided in  
3 subdivisions (1) to (3) of this subsection, a member retiring on  
4 or after July 1, 2001, whose creditable service is thirty years  
5 or more or whose sum of age and creditable service is eighty  
6 years or more, shall receive a temporary retirement allowance  
7 equivalent to eight-tenths of one percent of the member's final  
8 average salary multiplied by the member's years of service until  
9 such time as the member reaches the minimum age for Social  
10 Security retirement benefits.

11 2. If the board of trustees determines that the cost of  
12 living, as measured by generally accepted standards, increases  
13 five percent or more in the preceding fiscal year, the board  
14 shall increase the retirement allowances which the retired  
15 members or beneficiaries are receiving by five percent of the  
16 amount being received by the retired member or the beneficiary at  
17 the time the annual increase is granted by the board; provided  
18 that, the increase provided in this subsection shall not become  
19 effective until the fourth January first following a member's  
20 retirement or January 1, 1982, whichever occurs later, and the  
21 total of the increases granted to a retired member or the  
22 beneficiary after December 31, 1981, may not exceed eighty  
23 percent of the retirement allowance established at retirement or  
24 as previously adjusted by other provisions of law. If the cost  
25 of living increases less than five percent, the board of trustees  
26 may determine the percentage of increase to be made in retirement  
27 allowances, but at no time can the increase exceed five percent  
28 per year. If the cost of living decreases in a fiscal year,

1 there will be no increase in allowances for retired members on  
2 the following January first.

3 3. The board of trustees may reduce the amounts which have  
4 been granted as increases to a member pursuant to subsection 2 of  
5 this section if the cost of living, as determined by the board  
6 and as measured by generally accepted standards, is less than the  
7 cost of living was at the time of the first increase granted to  
8 the member; provided that, the reductions shall not exceed the  
9 amount of increases which have been made to the member's  
10 allowance after December 31, 1981.

11 4. (1) In lieu of the retirement allowance provided in  
12 subsection 1 of this section, called "option 1", a member whose  
13 creditable service is twenty-five years or more or who has  
14 attained age fifty-five with five or more years of creditable  
15 service may elect, in the application for retirement, to receive  
16 the actuarial equivalent of the member's retirement allowance in  
17 reduced monthly payments for life during retirement with the  
18 provision that:

19 Option 2. Upon the member's death, the reduced retirement  
20 allowance shall be continued throughout the life of and paid to  
21 such person as has an insurable interest in the life of the  
22 member as the member shall have nominated in the member's  
23 election of the option, and provided further that if the person  
24 so nominated dies before the retired member, the retirement  
25 allowance will be increased to the amount the retired member  
26 would be receiving had the member elected option 1;

27 OR

28 Option 3. Upon the death of the member three-fourths of the

1 reduced retirement allowance shall be continued throughout the  
2 life of and paid to such person as has an insurable interest in  
3 the life of the member and as the member shall have nominated in  
4 an election of the option, and provided further that if the  
5 person so nominated dies before the retired member, the  
6 retirement allowance will be increased to the amount the retired  
7 member would be receiving had the member elected option 1;

8 OR

9 Option 4. Upon the death of the member one-half of the  
10 reduced retirement allowance shall be continued throughout the  
11 life of, and paid to, such person as has an insurable interest in  
12 the life of the member and as the member shall have nominated in  
13 an election of the option, and provided further that if the  
14 person so nominated dies before the retired member, the  
15 retirement allowance shall be increased to the amount the retired  
16 member would be receiving had the member elected option 1;

17 OR

18 Option 5. Upon the death of the member prior to the member  
19 having received one hundred twenty monthly payments of the  
20 member's reduced allowance, the remainder of the one hundred  
21 twenty monthly payments of the reduced allowance shall be paid to  
22 such beneficiary as the member shall have nominated in the  
23 member's election of the option or in a subsequent nomination. If  
24 there is no beneficiary so nominated who survives the member for  
25 the remainder of the one hundred twenty monthly payments, the  
26 reserve for the remainder of such one hundred twenty monthly  
27 payments shall be paid to the estate of the last person to  
28 receive a monthly allowance. If the total of the one hundred

1 twenty payments paid to the retired individual and the  
2 beneficiary of the retired individual is less than the total of  
3 the member's accumulated contributions, the difference shall be  
4 paid to the beneficiary in a lump sum;

5 OR

6 Option 6. Upon the death of the member prior to the member  
7 having received sixty monthly payments of the member's reduced  
8 allowance, the remainder of the sixty monthly payments of the  
9 reduced allowance shall be paid to such beneficiary as the member  
10 shall have nominated in the member's election of the option or in  
11 a subsequent nomination. If there is no beneficiary so nominated  
12 who survives the member for the remainder of the sixty monthly  
13 payments, the reserve for the remainder of such sixty monthly  
14 payments shall be paid to the estate of the last person to  
15 receive a monthly allowance. If the total of the sixty payments  
16 paid to the retired individual and the beneficiary of the retired  
17 individual is less than the total of the member's accumulated  
18 contributions, the difference shall be paid to the beneficiary in  
19 a lump sum;

20 OR

21 Option 7. A plan of variable monthly benefit payments which  
22 provides, in conjunction with the member's retirement benefits  
23 under the federal Social Security laws, level or near-level  
24 retirement benefit payments to the member for life during  
25 retirement, and if authorized, to an appropriate beneficiary  
26 designated by the member. Such a plan shall be actuarially  
27 equivalent to the retirement allowance under option 1 and shall  
28 be available for election only if established by the board of

1 trustees under duly adopted rules.

2 (2) The election of an option may be made only in the  
3 application for retirement and such application must be filed  
4 prior to the date on which the retirement of the member is to be  
5 effective. If either the member or the person nominated dies  
6 before the effective date of retirement, the option shall not be  
7 effective, provided that:

8 (a) If the member or a person retired on disability  
9 retirement dies after attaining age fifty-five and acquiring five  
10 or more years of creditable service or after acquiring  
11 twenty-five or more years of creditable service and before  
12 retirement, except retirement with disability benefits, and the  
13 person named by the member as the member's beneficiary has an  
14 insurable interest in the life of the deceased member, the  
15 designated beneficiary may elect to receive either survivorship  
16 payments under option 2 or a payment of the member's accumulated  
17 contributions. If survivorship benefits under option 2 are  
18 elected and the member at the time of death would have been  
19 eligible to receive an actuarial equivalent of the member's  
20 retirement allowance, the designated beneficiary may further  
21 elect to defer the option 2 payments until the date the member  
22 would have been eligible to receive the retirement allowance  
23 provided in subsection 1 of this section.

24 (b) If the member or a person retired on disability  
25 retirement dies before attaining age fifty-five but after  
26 acquiring five but fewer than twenty-five years of creditable  
27 service, and the person named as the beneficiary has an insurable  
28 interest in the life of the deceased member or disability

1 retiree, the designated beneficiary may elect to receive either a  
2 payment of the person's accumulated contributions, or  
3 survivorship benefits under option 2 to begin on the date the  
4 member would first have been eligible to receive an actuarial  
5 equivalent of the person's retirement allowance, or to begin on  
6 the date the member would first have been eligible to receive the  
7 retirement allowance provided in subsection 1 of this section.

8 5. If the total of the retirement or disability allowances  
9 paid to an individual before the person's death is less than the  
10 person's accumulated contributions at the time of the person's  
11 retirement, the difference shall be paid to the person's  
12 beneficiary or, if there is no beneficiary, to the (1) surviving  
13 spouse, (2) surviving children in equal shares, (3) surviving  
14 parents in equal shares, or (4) person's estate in that order of  
15 precedence; provided, however, that if an optional benefit, as  
16 provided in option 2, 3 or 4 in subsection 4, had been elected  
17 and the beneficiary dies after receiving the optional benefit,  
18 then, if the total retirement allowances paid to the retired  
19 individual and the individual's beneficiary are less than the  
20 total of the contributions, the difference shall be paid to the  
21 (1) surviving spouse, (2) surviving children in equal shares, (3)  
22 surviving parents in equal shares, or (4) estate of the  
23 beneficiary, in that order of precedence, unless the retired  
24 individual designates a different recipient with the board at or  
25 after retirement. 6. If a member dies before receiving a  
26 retirement allowance, the member's accumulated contributions at  
27 the time of the member's death shall be paid to the member's  
28 beneficiary or, if there is no beneficiary, to the (1) surviving

1 spouse, (2) surviving children in equal shares, (3) surviving  
2 parents in equal shares, or (4) to the member's estate; provided,  
3 however, that no such payment shall be made if the beneficiary  
4 elects option 2 in subsection 4 of this section, unless the  
5 beneficiary dies before having received benefits pursuant to that  
6 subsection equal to the accumulated contributions of the member,  
7 in which case the amount of accumulated contributions in excess  
8 of the total benefits paid pursuant to that subsection shall be  
9 paid to the (1) surviving spouse, (2) surviving children in equal  
10 shares, (3) surviving parents in equal shares, or (4) estate of  
11 the beneficiary, in that order of precedence.

12 7. If a member ceases to be an employee as defined in  
13 section 169.600 and certifies to the board of trustees that such  
14 cessation is permanent or if the person's membership is otherwise  
15 terminated, the person shall be paid the person's accumulated  
16 contributions with interest.

17 8. Notwithstanding any provisions of sections 169.600 to  
18 169.715 to the contrary, if a member ceases to be an employee as  
19 defined in section 169.600 after acquiring five or more years of  
20 creditable service, the member may, at the option of the member,  
21 leave the member's contributions with the retirement system and  
22 claim a retirement allowance any time after the member reaches  
23 the minimum age for voluntary retirement. When the member's  
24 claim is presented to the board, the member shall be granted an  
25 allowance as provided in sections 169.600 to 169.715 on the basis  
26 of the member's age and years of service.

27 9. The retirement allowance of a member retired because of  
28 disability shall be nine-tenths of the allowance to which the

1 member's creditable service would entitle the member if the  
2 member's age were sixty.

3 10. Notwithstanding any provisions of sections 169.600 to  
4 169.715 to the contrary, any member who is a member prior to  
5 October 13, 1969, may elect to have the member's retirement  
6 allowance computed in accordance with sections 169.600 to 169.715  
7 as they existed prior to October 13, 1969.

8 11. Any application for retirement shall include a sworn  
9 statement by the member certifying that the spouse of the member  
10 at the time the application was completed was aware of the  
11 application and the plan of retirement elected in the  
12 application.

13 12. Notwithstanding any other provision of law, any person  
14 retired prior to August 14, 1984, who is receiving a reduced  
15 retirement allowance under option 1 or 2 of subsection 4 of this  
16 section, as the option existed prior to August 14, 1984, and  
17 whose beneficiary nominated to receive continued retirement  
18 allowance payments under the elected option dies or has died,  
19 shall upon application to the board of trustees have the person's  
20 retirement allowance increased to the amount the person would  
21 have been receiving had the person not elected the option,  
22 actuarially adjusted to recognize any excessive benefits which  
23 would have been paid to the person up to the time of the  
24 application.

25 13. Benefits paid pursuant to the provisions of the public  
26 education employee retirement system of Missouri shall not exceed  
27 the limitations of Section 415 of Title 26 of the United States  
28 Code, except as provided under this subsection. Notwithstanding

1 any other law, the board of trustees may establish a benefit plan  
2 under Section 415(m) of Title 26 of the United States Code. Such  
3 plan shall be credited solely for the purpose described in  
4 Section 415(m) (3) (A) of Title 26 of the United States Code. The  
5 board of trustees may promulgate regulations necessary to  
6 implement the provisions of this subsection and to create and  
7 administer such benefit plan. 14. Any member who has  
8 retired prior to July 1, 1999, and the designated beneficiary of  
9 a deceased retired member upon request shall be made,  
10 constituted, appointed and employed by the board as a special  
11 consultant on the matters of education, retirement and aging. As  
12 compensation for such duties the person shall receive a payment  
13 equivalent to seven and four-tenths percent of the previous  
14 month's benefit, which shall be added to the member's or  
15 beneficiary's monthly annuity and which shall not be subject to  
16 the provisions of subsections 2 and 3 of this section for the  
17 purposes of the limit on the total amount of increases which may  
18 be received.

19 15. Any member who has retired prior to July 1, 2000, and  
20 the designated beneficiary of a deceased retired member upon  
21 request shall be made, constituted, appointed and employed by the  
22 board as a special consultant on the matters of education,  
23 retirement and aging. As compensation for such duties the person  
24 shall receive a payment equivalent to three and four-tenths  
25 percent of the previous month's benefit, which shall be added to  
26 the member's or beneficiary's monthly annuity and which shall not  
27 be subject to the provisions of subsections 2 and 3 of this  
28 section for the purposes of the limit on the total amount of

1 increases which may be received.

2 16. Any member who has retired prior to July 1, 2001, and  
3 the designated beneficiary of a deceased retired member upon  
4 request shall be made, constituted, appointed and employed by the  
5 board as a special consultant on the matters of education,  
6 retirement and aging. As compensation for such duties the person  
7 shall receive a payment equivalent to seven and one-tenth percent  
8 of the previous month's benefit, which shall be added to the  
9 member's or beneficiary's monthly annuity and which shall not be  
10 subject to the provisions of subsections 2 and 3 of this section  
11 for the purposes of the limit on the total amount of increases  
12 which may be received.

13 211.393. 1. For purposes of this section, the following  
14 words and phrases mean:

15 (1) "County retirement plan", any public employees' defined  
16 benefit retirement plan established by law that provides  
17 retirement benefits to county or city employees, but not to  
18 include the county employees' retirement system as provided in  
19 sections 50.1000 to 50.1200, RSMo;

20 (2) "Juvenile court employee", any person who is employed  
21 by a juvenile court in a position normally requiring one thousand  
22 hours or more of service per year [but not including any service  
23 in such a position that was financed in whole or in part by a  
24 public or private grant on or after July 1, 1999];

25 (3) "Juvenile officer", any juvenile officer appointed  
26 pursuant to section 211.351;

27 (4) "Multicounty circuit", all other judicial circuits not  
28 included in the definition of a single county circuit;

1           (5) "Single county circuit", a judicial circuit composed of  
2 a single county of the first classification, including the  
3 circuit for the city of St. Louis;

4           (6) "State retirement plan", the public employees'  
5 retirement plan administered by the Missouri state employees'  
6 retirement system pursuant to chapter 104, RSMo.

7           2. Juvenile court employees employed in a single county  
8 circuit shall be subject to the following provisions:

9           (1) The juvenile officer employed in such circuits on and  
10 prior to July 1, 1999, shall:

11           (a) Be state employees on that portion of their salary  
12 received from the state pursuant to section 211.381, and in  
13 addition be county employees on that portion of their salary  
14 provided by the county at a rate determined pursuant to section  
15 50.640, RSMo;

16           (b) Receive state-provided benefits, including retirement  
17 benefits from the state retirement plan, on that portion of their  
18 salary paid by the state and may participate as members in a  
19 county retirement plan on that portion of their salary provided  
20 by the county except any juvenile officer whose service as a  
21 juvenile court officer is being credited based on all salary  
22 received from any source in a county retirement plan on June 30,  
23 1999, shall not be eligible to receive state-provided benefits,  
24 including retirement benefits, or any creditable prior service as  
25 described in this section but shall continue to participate in  
26 such county retirement plan;

27           (c) Receive creditable prior service in the state  
28 retirement plan for service rendered as a juvenile court employee

1 prior to July 1, 1999, to the extent they have not already  
2 received credit for such service in a county retirement plan on  
3 salary paid to them for such service, if such service was  
4 rendered in a [judicial circuit that was not a single county of  
5 the first classification] single county circuit or a multicounty  
6 circuit; except that if the juvenile officer forfeited such  
7 credit in such county retirement plan prior to being eligible to  
8 receive creditable prior service under this paragraph, they may  
9 receive service under this paragraph;

10 (d) Receive creditable prior service pursuant to paragraph  
11 (c) of this subdivision even though they already have received  
12 credit for such creditable service in a county retirement plan if  
13 they elect to forfeit their creditable service from such plan in  
14 which case such plan shall transfer to the state retirement plan  
15 an amount equal to the actuarial accrued liability for the  
16 forfeited creditable service, determined as if the person were  
17 going to continue to be an active member of the county retirement  
18 plan, less the amount of any refunds of member contributions;

19 (e) Receive creditable prior service for service rendered  
20 as a juvenile court employee in a multicounty circuit in a  
21 position that was financed in whole or in part by a public or  
22 private grant [prior to July 1, 1999], pursuant to the provisions  
23 of paragraph (e) of subdivision (1) of subsection 3 of this  
24 section;

25 (2) Juvenile officers who begin employment for the first  
26 time as a juvenile officer in a single county circuit on or after  
27 July 1, 1999, shall:

28 (a) Be county employees and receive salary from the county

1 at a rate determined pursuant to section 50.640, RSMo, subject to  
2 reimbursement by the state as provided in section 211.381; and

3 (b) Participate as members in the applicable county  
4 retirement plan subject to reimbursement by the state for the  
5 retirement contribution due on that portion of salary reimbursed  
6 by the state;

7 (3) All other juvenile court employees who are employed in  
8 a single county circuit on or after July 1, 1999:

9 (a) Shall be county employees and receive a salary from the  
10 county at a rate determined pursuant to section 50.640, RSMo; and

11 (b) Shall, in accordance with their status as county  
12 employees, receive other county-provided benefits including  
13 retirement benefits from the applicable county retirement plan if  
14 such employees otherwise meet the eligibility requirements for  
15 such benefits;

16 (4) (a) The state shall reimburse each county comprised of  
17 a single county circuit for an amount equal to the greater of:

18 a. Twenty-five percent of such circuit's total juvenile  
19 court personnel budget, excluding the salary for a juvenile  
20 officer, for calendar year 1997, and excluding all costs of  
21 retirement, health and other fringe benefits; or

22 b. The sum of the salaries of one chief deputy juvenile  
23 officer and one deputy juvenile officer class I, as provided in  
24 section 211.381;

25 (b) The state may reimburse a single county circuit up to  
26 fifty percent of such circuit's total calendar year 1997 juvenile  
27 court personnel budget, subject to appropriations. The state may  
28 reimburse, subject to appropriations, the following percentages

1 of such circuits' total juvenile court personnel budget, expended  
2 for calendar year 1997, excluding the salary for a juvenile  
3 officer, and excluding all costs of retirement, health and other  
4 fringe benefits: thirty percent beginning July 1, 2000, until  
5 June 30, 2001; forty percent beginning July 1, 2001, until June  
6 30, 2002; fifty percent beginning July 1, 2002; however, no  
7 county shall receive any reimbursement from the state in an  
8 amount less than the greater of:

9 a. Twenty-five percent of the total juvenile court  
10 personnel budget of the single county circuit expended for  
11 calendar year 1997, excluding fringe benefits; or

12 b. The sum of the salaries of one chief deputy juvenile  
13 officer and one deputy juvenile officer class I, as provided in  
14 section 211.381;

15 (5) Each single county circuit shall file a copy of its  
16 initial 1997 and each succeeding year's budget with the office of  
17 the state courts administrator after January first each year and  
18 prior to reimbursement. The office of the state courts  
19 administrator shall make payment for the reimbursement from  
20 appropriations made for that purpose on or before July fifteenth  
21 of each year following the calendar year in which the expenses  
22 were made. The office of the state courts administrator shall  
23 submit the information from the budgets relating to full-time  
24 juvenile court personnel from each county to the general  
25 assembly;

26 (6) Any single county circuit may apply to the office of  
27 the state courts administrator to become subject to subsection 3  
28 of this section, and such application shall be approved subject

1 to appropriation of funds for that purpose;

2 (7) The state auditor may audit any single county circuit  
3 to verify compliance with the requirements of this section,  
4 including an audit of the 1997 budget.

5 3. Juvenile court employees in multicounty circuits shall  
6 be subject to the following provisions:

7 (1) Juvenile court employees including detention personnel  
8 hired in 1998 in those multicounty circuits who began actual  
9 construction on detention facilities in 1996, employed in a  
10 multicounty circuit on or after July 1, 1999, shall:

11 (a) Not be state employees [and] unless they receive all  
12 salary from the state, which shall include any salary as provided  
13 in section 211.381 in addition to any salary provided by the  
14 applicable county or counties during calendar year 1997 and any  
15 general salary increase approved by the state of Missouri for  
16 fiscal year 1999 and fiscal year 2000;

17 (b) Participate in the state retirement plan;

18 (c) Receive creditable prior service in the state  
19 retirement plan for service rendered as a juvenile court employee  
20 prior to July 1, 1999, to the extent they have not already  
21 received credit for such service in a county retirement plan on  
22 salary paid to them for such service if such service was rendered  
23 in a [judicial circuit that was not a single county of the first  
24 classification] single county circuit or a multicounty circuit,  
25 except that if they forfeited such credit in such county  
26 retirement plan prior to being eligible to receive creditable  
27 prior service under this paragraph, they may receive creditable  
28 service under this paragraph;

1 (d) Receive creditable prior service pursuant to paragraph  
2 (c) of this subdivision even though they already have received  
3 credit for such creditable service in a county retirement plan if  
4 they elect within six months from the date they become  
5 participants in the state retirement plan pursuant to this  
6 section to forfeit their service from such plan in which case  
7 such plan shall transfer to the state retirement plan an amount  
8 equal to the actuarial accrued liability for the forfeited  
9 creditable service, determined as if the person was going to  
10 continue to be an active member of the county retirement plan,  
11 less the amount of any refunds of member contributions;

12 (e) Receive creditable prior service for service rendered  
13 as a juvenile court employee in a multicounty circuit in a  
14 position that was financed in whole or in part by a public or  
15 private grant [prior to July 1, 1999] to the extent they have not  
16 already received credit for such service in a county retirement  
17 plan on salary paid to them for such service except that if they:

18 a. Forfeited such credit in such county retirement plan  
19 prior to being eligible to receive creditable service under this  
20 paragraph, they may receive creditable service under paragraph  
21 (e) of this subdivision;

22 \_\_\_\_\_ b. [Pursuant to paragraph (c) of this subdivision, except  
23 that if they already] Received credit for such creditable service  
24 in a county retirement plan, they may not receive creditable  
25 prior service pursuant to paragraph [(c)] (e) of this subdivision  
26 unless they elect to forfeit their service from such plan, in  
27 which case such plan shall transfer to the state retirement plan  
28 an amount equal to the actuarial liability for the forfeited

1 creditable service, determined as if the person was going to  
2 continue to be an active member of the county retirement plan,  
3 less the amount of any refunds of member contributions;

4 [b. Pursuant to subparagraph a. of this paragraph, if they]  
5 c. Terminated employment prior to August 28, [2004] 2007, and  
6 apply to the board of trustees of the state retirement plan to be  
7 made and employed as a special consultant and be available to  
8 give opinions regarding retirement they may receive creditable  
9 service under paragraph (e) of this subdivision;

10 [c. Pursuant to subparagraph a. of this paragraph, if they]  
11 d. Retired prior to August 28, [2004] 2007, and apply to the  
12 board of trustees of the state retirement plan to be made and  
13 employed as a special consultant and be available to give  
14 opinions regarding retirement, [in which case] they shall have  
15 their retirement benefits adjusted so they receive retirement  
16 benefits equal to the amount they would have received had their  
17 retirement benefit been initially calculated to include such  
18 creditable prior service; or

19 [d. Pursuant to subparagraph a. of this paragraph, if they]  
20 e. Purchased creditable prior service pursuant to section  
21 104.344, RSMo, or section 105.691, RSMo, based on service as a  
22 juvenile court employee in a position that was financed in whole  
23 or in part by a public or private grant [prior to July 1, 1999],  
24 [in which case] they shall receive a refund based on the amount  
25 paid for such purchased service;

26 (2) Juvenile court employee positions added after December  
27 31, 1997, shall be terminated and not subject to the provisions  
28 of subdivision (1) of this subsection, unless the office of the

1 state courts administrator requests and receives an appropriation  
2 specifically for such positions;

3 (3) The salary of any juvenile court employee who becomes a  
4 state employee, effective July 1, 1999, shall be limited to the  
5 salary provided by the state of Missouri, which shall be set in  
6 accordance with guidelines established by the state pursuant to a  
7 salary survey conducted by the office of the state courts  
8 administrator, but such salary shall in no event be less than the  
9 amount specified in paragraph (a) of subdivision (1) of this  
10 subsection. Notwithstanding any provision to the contrary in  
11 subsection 1 of section 211.394, such employees shall not be  
12 entitled to additional compensation paid by a county as a public  
13 officer or employee. Such employees shall be considered  
14 employees of the judicial branch of state government for all  
15 purposes;

16 (4) All other employees of a multicounty circuit who are  
17 not juvenile court employees as defined in subsection 1 of this  
18 section shall be county employees subject to the county's own  
19 terms and conditions of employment.

20 4. The receipt of creditable prior service as described in  
21 paragraph (c) of subdivision (1) of subsection 2 of this section  
22 and paragraph (c) of subdivision (1) of subsection 3 of this  
23 section is contingent upon the office of the state courts  
24 administrator providing the state retirement plan information, in  
25 a form subject to verification and acceptable to the state  
26 retirement plan, indicating the dates of service and amount of  
27 monthly salary paid to each juvenile court employee for such  
28 creditable prior service.

1           5. No juvenile court employee employed by any single or  
2 multicounty circuit shall be eligible to participate in the  
3 county employees' retirement system fund pursuant to sections  
4 50.1000 to 50.1200, RSMo.

5           6. Each county in every circuit in which a juvenile court  
6 employee becomes a state employee shall maintain each year in the  
7 local juvenile court budget an amount, defined as "maintenance of  
8 effort funding", not less than the total amount budgeted for all  
9 employees of the juvenile court including any juvenile officer,  
10 deputy juvenile officer, or other juvenile court employees in  
11 calendar year 1997, minus the state reimbursements as described  
12 in this section received for the calendar year 1997 personnel  
13 costs for the salaries of all such juvenile court employees who  
14 become state employees. The juvenile court shall provide a  
15 proposed budget to the county commission each year. The budget  
16 shall contain a separate section specifying all funds to be  
17 expended in the juvenile court. Such funding may be used for  
18 contractual costs for detention services, guardians ad litem,  
19 transportation costs for those circuits without detention  
20 facilities to transport children to and from detention and  
21 hearings, short-term residential services, indebtedness for  
22 juvenile facilities, expanding existing detention facilities or  
23 services, continuation of services funded by public grants or  
24 subsidy, and enhancing the court's ability to provide prevention,  
25 probation, counseling and treatment services. The county  
26 commission may review such budget and may appeal the proposed  
27 budget to the judicial finance commission pursuant to section  
28 50.640, RSMo.

1           7. Any person who is employed on or after July 1, 1999, in  
2 a position covered by the state retirement plan or the  
3 transportation department and highway patrol retirement system  
4 and who has rendered service as a juvenile court employee in a  
5 judicial circuit that was not a single county of the first  
6 classification shall be eligible to receive creditable prior  
7 service in such plan or system as provided in subsections 2 and 3  
8 of this section. For purposes of this subsection, the provisions  
9 of paragraphs (c) and (d) of subdivision (1) of subsection 2 of  
10 this section and paragraphs (c) and (d) of subdivision (1) of  
11 subsection 3 of this section that apply to the state retirement  
12 plan shall also apply to the transportation department and  
13 highway patrol retirement system.

14           8. (1) Any juvenile officer who is employed as a state  
15 employee in a multicounty circuit on or after July 1, 1999, shall  
16 not be eligible to participate in the state retirement plan as  
17 provided by this section unless such juvenile officer elects to:

18           (a) Receive retirement benefits from the state retirement  
19 plan based on all years of service as a juvenile officer and a  
20 final average salary which shall include salary paid by the  
21 county and the state; and

22           (b) Forfeit any county retirement benefits from any county  
23 retirement plan based on service rendered as a juvenile officer.

24           (2) Upon making the election described in this subsection,  
25 the county retirement plan shall transfer to the state retirement  
26 plan an amount equal to the actuarial accrued liability for the  
27 forfeited creditable service determined as if the person was  
28 going to continue to be an active member of the county retirement

1 plan, less the amount of any refunds of member contributions.

2 9. The elections described in this section shall be made on  
3 forms developed and made available by the state retirement plan.

4 321.800. Notwithstanding any other law to the contrary, any  
5 board of directors established under the provisions of this  
6 chapter administering its own retirement or other benefits-  
7 related plan shall administer such plan by a separate five-member  
8 pension board of trustees. Pension plan participants shall elect  
9 three such participants to be submitted to the board of  
10 directors. The board of directors shall select two of the three  
11 participants to serve on the five-member pension board of  
12 trustees. The board of directors shall be the other three  
13 members of the five-member pension board of trustees.

14 \_\_\_\_\_ [105.920. The financial liability of the state,  
15 or political subdivision under a deferred compensation  
16 program shall be limited in each instance to the value  
17 of the particular fixed or variable life insurance or  
18 annuity contract, mutual funds or other such investment  
19 options purchased on behalf of any employee.]  
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30 Jason Crowell

\_\_\_\_\_ Maynard Wallace