

# BOARD RULES

*Effective as of February 17, 2023*







# Board Rules

*Effective February 17, 2023*

# MOSERS Board Rules

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# MOSERS Board Rules

## **CHAPTER 1** Procedures

# MOSERS Board Rules

## 1-1 Rulemaking

*PURPOSE: This rule sets forth the procedures for establishing administrative rules as provided in Section 104.1063, RSMo.*

1. Pursuant to Section 104.1063, RSMo, the board of trustees of the Missouri State Employees' Retirement System "is authorized to promulgate rules to properly administer the system and govern its own proceedings."
2. Rules may be promulgated by the board of trustees, or may be amended or repealed, in whole or in part, at any meeting of the board of trustees. Proposed rulemaking (which includes making new rules and any amendment or repeal of an existing rule) shall be posted on the system's public website for a comment period of 30 days following adoption by the board of trustees. The adopted rule shall become effective at the end of the comment period. If comments are received during the comment period, staff shall report the comments to the board of trustees at the next regularly scheduled board meeting. The board of trustees may modify the adopted rule in response to the comments. Any modifications shall be effective immediately unless the board of trustees elects to provide a comment period.
3. All rules promulgated by the system that are currently in effect shall be made available on the system's public website.
4. The system shall review all of its rules at least every five years.
5. The plans administered by the system must satisfy the qualification requirements under Section 401 of the Internal Revenue Code, as applicable to each plan. In order to meet those requirements, the plans are subject to relevant state law provisions for the respective plans and Chapter 8 of these Board Rules.
6. Sections 476.580 and 287.845 provide that MOSERS shall administer the retirement benefits provided under Chapter 476 and Chapter 287. Unless the context clearly indicates otherwise, rules promulgated by the Board shall apply to each plan administered by the Board.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020; Feb. 17, 2023.*



# MOSERS Board Rules

## 1-2 Appeals to the Board of Trustees

*PURPOSE: This rule establishes the formal procedures for appeals to the board of trustees.*

1. Members, beneficiaries, survivors, retirees, judges, administrative law judges, legal advisors, and departments may request review by the board of trustees of an administrative decision(s) by the executive director of the system, or his/her designee, concerning eligibility for and/or the amount of benefits, service, contributions, refunds, and membership.
2. Requests
  - a. The request for review must be stated in writing and addressed to the executive director or the board of trustees. The request must state what decision the board of trustees is being asked to review and what action the board of trustees is being asked to take.
  - b. The request must be made within 60 days after the administrative decision has been mailed or otherwise communicated to the party making the request for review.
3. Reviews
  - a. The review will be held at the next regularly scheduled board meeting that is at least 30 days after the date on which the request for review is received unless another date is mutually agreed to by the parties. The party requesting review (the appellant) will be notified in writing of the date on which the board of trustees will conduct the review.
  - b. Reviews will be held on an informal basis. No formal rules of evidence will be applied.
  - c. Attendance by the appellant is not required.
  - d. Reviews, including any presentations and review of any information provided in connection with the review, will be conducted in closed session and all records related to the request for review will be maintained as closed records to preserve confidentiality of member information.
4. Documentation
  - a. The system's staff will prepare background material for the board of trustees, which will include documentation necessary for the board of trustees to review the decision, and at a minimum will include copies of correspondence, applicable statutes and regulations, and a summary of the issues and decision of the executive director of the system or his/her designee. The background material will be supplied to the appellant at the same time it is provided to the board of trustees. Any requirements of law prohibiting reproduction or distribution of material will be observed.

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- b. The appellant may submit additional information to the system to be provided to the board of trustees for consideration. The appellant must provide any documentation to be considered at least seven days before the board meeting.
5. Presentations
  - a. The system's staff will present the background material prepared by staff to the board of trustees.
  - b. The appellant may present documentation and testimony for the board of trustees to consider. The board of trustees shall determine in its sole discretion the amount of time the appellant will have to make a presentation.
  - c. The appellant may have another individual make the presentation, or assist in making the presentation, of information to the board of trustees. The appellant also may have additional witnesses at the board meeting, who can provide information to the board of trustees.
6. After consideration of the background material and the appellant's information, the board of trustees will vote to confirm, reverse, or amend the administrative decision. Deliberations and voting will occur after the appellant and any representatives or witnesses have left the meeting and while the board of trustees is still in closed session. A vote will occur at the same meeting as the review unless the board of trustees requests additional information or requires additional time to review information presented at the meeting. In those instances, the board of trustees will make its decision at the next regularly scheduled board meeting.
7. The decision of the board of trustees will be communicated to the appellant in writing by the executive director of the system. The notice of the decision will contain a statement of the decision and a brief explanation of the reasons for the decision.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

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## 1-3 Confidentiality of Records

*PURPOSE: This rule establishes that certain member records shall be kept confidential by the system.*

1. Effective September 1, 2009, staff shall post on the system's website the name, length of service, position, and monthly benefit amount for all benefit recipients receiving retirement, survivor, or period certain annuity benefits as a result of service as a statewide elected official, member of the general assembly, judge, and any administrative law judge or a legal advisor whose service is covered by the system pursuant to Chapter 287, RSMo (collectively referred to as "public officials"). In the event a current or former public official is also receiving retirement benefits as the result of service as a general state employee, the same information described above shall also be posted regarding that benefit.
2. Upon request, the system will provide the requestor with the following information with regard to any present or future benefit recipient who is receiving or may be eligible to receive a benefit in the future under any benefit program administered by the system pursuant to Chapters 104, 287, or 476, RSMo: the benefit recipient's name, eligibility to receive a benefit, dates when a benefit was or will be payable, and current or estimated future benefit amount. The system shall keep all other individually identifiable records of a benefit recipient confidential unless:
  - a. The benefit recipient or the benefit recipient's legal representative consents to the release of the information.
  - b. The system is required by law, subpoena, or other legal process to release the information.
  - c. A MOSERS covered department requests the information in connection with personnel management or the administration of a benefit program and the director or other authorized personnel of the department agrees in writing to use the information only for the requested purpose and to otherwise keep the information confidential.
3. Staff may mail non-commercial information to members on behalf of a MOSERS covered department if the department pays for the cost of the mailing.
4. The system will send the benefit recipient a copy of the information provided in response to a request unless the request seeks general information about a large group of benefit recipients.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Oct. 27, 2002; Sept. 20, 2007; Aug. 5, 2009; Dec. 23, 2013; Dec. 21, 2020.*

# MOSERS Board Rules

## **1-5 Board Election Procedures**

*PURPOSE: This rule establishes the formal procedures for nomination and election of the elective positions of the board of trustees as authorized in Sections 104.450 and 104.460, RSMo.*

### **A. General Procedures**

1. The Board of Trustees (“Board”) will select a third-party election administrator, in accordance with the system’s procurement procedures (the “Election Administrator”).
2. Any or all election procedures delegated by the Board to the Executive Director may be delegated to an individual or firm qualified to carry out such procedures, including MOSERS staff members.
3. The Election Administrator shall administer any election balloting procedures including but not limited to, creating election ballots, sending election ballots with instructions, counting votes, and certifying the results.
4. Staff is required to establish procedures to ensure candidate information is true and accurate prior to submitting the candidate information to the Election Administrator. These procedures will include, but may not be limited to, validation of the signatures on the candidate petition forms.
5. It will be automatic grounds for disqualification if it is determined that a candidate knowingly submitted false information in the election process.
6. Candidates may not use state resources (interagency mail, equipment, personnel, and supplies) for campaign purposes.
7. Candidates may not use the system’s resources for campaign purposes. This includes receiving contact information of the system’s members (i.e. member names, telephone numbers, addresses, and email addresses).

### **B. Nominating Petitions**

1. Candidates will be nominated by means of nominating petitions. There will be separate nominating petitions for each type of election: one for the active employee member election and one for the retiree member election.
2. Each petition may have only one (1) candidate listed and an individual can only run for one position on the Board.
3. Staff shall set the time period when nomination petitions shall be filed and the manner in which petitions must be filed.
4. If only one (1) valid nominating petition is filed for any vacancy, the person nominated will be declared elected by the Board at the next regular board meeting.

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5. If at least one (1) valid nominating petition is not filed for each vacancy to be filled, this election process shall be repeated for that vacancy until a valid nominating petition is received.

## **C. Active Employee Member – Candidate Eligibility**

1. An eligible candidate for an active employee member position shall be a member of the Missouri State Employees' Retirement System who is an employee on June 1 of the year of the election. The following individuals will not be considered eligible candidates for the active employee member board election:
  - a. retired members of the system;
  - b. term-vested members of the system;
  - c. active, term-vested, or retired members of the judicial and administrative law judges plan;
  - d. members on long-term disability; and
  - e. survivors of deceased members of the system including the judicial and administrative law judges plan.
2. Valid nominating petitions for active employee members must have in total at least one hundred (100) verified signatures of active employee members (other than the board candidate) eligible to sign the petition (on paper or electronic). Submitted signatures on the petition must include the members' name (printed clearly), signature, state agency where employed, and the last four digits of the member's social security number. The following individuals will not be considered eligible to sign active employee member petitions:
  - a. retired members of the system,
  - b. active, term-vested, or retired members of the judicial and administrative law judges plan;
  - c. members on long-term disability; and
  - d. survivors of deceased members of the system including survivors of members of the judicial and administrative law judges plan.
3. Each candidate must submit the following items:
  - a. A summary of information (i.e. candidate biography) regarding his or her background (which may include years of service, department experience, reasons for wanting to serve, etc.) and qualifications, not to exceed three hundred (300) words. Formatting of this information for public disclosure will be under the direction of staff members.
  - b. Copies of the campaign finance disclosure forms sent to the Missouri Ethics Commission which indicate the amounts and sources of all contributions received and amounts and receipts of all expenditures. The candidates are required to file such campaign finance disclosure forms pursuant to Section 104.460 RSMo.

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4. If a newly elected board member representing the active employee members is no longer an employee after the election and before the start of their term, the candidate receiving the next highest number of votes will be declared elected.
5. A board member representing active employee members who is no longer an employee while serving on the Board will be considered to have resigned from the Board. The Board will appoint an active employee member to serve the balance of the Board member's term in accordance with Section 104.450, RSMo.

## **D. Retiree Member – Candidate Eligibility**

1. An eligible candidate for the retiree member position shall be a member of the Missouri State Employees' Retirement System who is receiving retirement benefits as of June 1 of the election year. The following individuals will not be considered eligible candidates for the retiree member board election:
  - a. active employee members of the system;
  - b. term-vested members of the system;
  - c. active, term-vested, or retired members of the judicial and administrative law judges plan;
  - d. members on long-term disability; and
  - e. survivors of deceased members of the system including the judicial and administrative law judges plan.
2. Valid nominating petitions for the retiree member election must have in total at least twenty-five (25) verified signatures of retired members (other than the board candidate) eligible to sign the petition (on paper or electronic). Each line item on the retiree member petition signature sheet must indicate the members' name (printed clearly), signature, state agency where the retiree member was last employed, and the last four digits of the member's social security number. The following individuals will not be considered eligible to sign retiree member petitions:
  - a. active employee members of the system;
  - b. term-vested members of the system;
  - c. active, term-vested, or retired members of the judicial and administrative law judges plan;
  - d. members on long-term disability; and
  - e. survivors of deceased members of the system including survivors of members of the judicial and administrative law judges plan.
3. Each candidate must submit the following written statements:
  - a. A summary of information (i.e. candidate biography) regarding his or her background (which may include years of service, department experience, reasons for wanting to serve, etc.) and qualifications, not to exceed three

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hundred (300) words. Formatting of this information for posting on the system's website will be under the direction of staff members.

- b. Copies of the campaign finance disclosure forms sent to the Missouri Ethics Commission which indicate the amounts and sources of all contributions received and amounts and receipts of all expenditures. The candidates are required to file such campaign finance disclosure forms pursuant to Section 104.460 RSMo.
4. If a newly elected board member representing the retired members becomes employed in a MOSERS' benefit eligible position or dies after the election and before the start of their term, the candidate receiving the next highest number of votes will be declared elected.
5. A retiree board member who becomes employed in a MOSERS' benefit eligible position or dies while serving on the Board will be considered to have resigned from the Board. The Board will appoint a retiree member to serve the balance of the retiree member's term in accordance with Section 104.450 RSMo.

## **E. Election Ballots, Voting, and Results**

### ***Election Ballots***

1. Staff members will provide the Election Administrator with a list of approved candidates, the years of state service, and current employer or agency retired from, whichever is applicable, and retirement date for the election ballot.
2. Names of candidates will be listed on the election ballot or in a supplemental publication in random order at the discretion of the Election Administrator. In no event will names of candidates be placed in alphabetical order on the election ballot or in a supplemental publication other than by happenstance. Each election ballot will include instructions for voting.
3. Election ballots for an active employee member election will allow selection of one (1) or two (2) active employee member candidates to become board members depending on the number of positions up for election, which is determined by state law. If the election is for two board positions, the two candidates receiving the highest number of votes will be declared elected. If the election is for one (1) board position, the candidate receiving the highest number of votes will be declared elected. If a tie shall occur between two (2) or more candidates receiving an identical number of votes, the winner shall be determined by a toss of a coin.
4. Election ballots for retiree members will allow selection for one (1) retiree member candidate to become a board member. The one (1) candidate receiving the highest number of votes will be declared elected. If a tie shall occur between two (2) or more candidates receiving an identical number of votes, the winner shall be determined by a toss of a coin.

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## *Voting*

5. Election ballots may be cast either online or via telephone. MOSERS will provide the necessary contact information of eligible voters to the Election Administrator.
6. The voting period will be at least 30 calendar days in length. The beginning date of the voting period will be set by staff but shall not be set prior to August 1st nor later than November 15th of the year of election. Balloting will cease at 5:00 pm Central Time on the last day of the board election.
6. An eligible voter for the active employee member position shall be a member of the Missouri State Employees' Retirement System who is not receiving retirement benefits as of the last day of the month proceeding the month in which the election is to be held. Active employee member election ballots will not be sent to the following individuals:
  - a. members of the judicial plan;
  - b. members of the administrative law judges' plan;
  - c. retired members; and
  - d. survivors.
7. An eligible voter for the retiree member position shall be a member of the Missouri State Employees' Retirement System who is receiving retirement benefits as of the last day of the month proceeding the month in which the election is to be held. Retiree member election ballots will not be sent to the following individuals:
  - a. term-vested members;
  - b. long-term disability recipients;
  - c. members of the judicial plan;
  - d. members of the administrative law judges' plan;
  - e. active employee members; and
  - f. survivors.

## *Results*

8. Results of the election will be certified to the Executive Director by the Election Administrator by the next business day after count completion. The election results will be distributed to all members of the Board and candidates by staff no later than 5 business days of the certification to the Executive Director.
9. Election ballots will be maintained by the Election Administrator for a period of one year to allow for recounts. After one year from the date of the certification of the results, all election ballots will be destroyed.
10. Newly elected Board members will begin their terms in January of the year following the election year.



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## **F. Invalid Election Ballots**

1. The following are declared to be invalid election ballots and shall not be counted in the election:
  - a. Election ballots submitted by a person who is not an eligible voter as defined above;
  - b. If the same candidate is voted for more than once by the same voter;
  - c. Election ballots not received within the time period prescribed in this Rule;
  - d. Internet or telephone election ballots not cast in the manner described by the Election Administrator; and
  - e. Election ballots received by the system by any method (mail, facsimile, email, hand-delivered, etc.).
2. Only election ballots received by 5:00 pm Central Time on the last day of the board election will be counted.

## **G. Communication**

1. The system will send at least three communications (letter, postcards, emails, etc.) to members in the year of election, which state the nominating process, voting period, how to vote, and where to find candidate biographies.
2. The system will post on its website information to cover all aspects of the election, including but not limited to the following:
  - a. Summary of Board of Trustees' responsibilities
  - b. Election timeline;
  - c. Eligibility requirements;
  - d. Nomination process;
  - e. Nominating petitions;
  - f. Ethics forms; and
  - g. Candidate biographies (once available).

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Nov. 17, 2005. Amended: Nov. 19, 2009; July 23, 2013; Dec. 21, 2020.*

# MOSERS Board Rules

## 1-6 Board Member Designees

*PURPOSE: This rule provides for the commissioner of administration and state treasurer to delegate their duties as a trustee as authorized in Section 37.010, RSMo, and Section 30.120, RSMo, respectively.*

1. The commissioner of administration may delegate the commissioner's duties as a member of the board of trustees to any subordinate who has taken the same oath as the commissioner pursuant to Subsection 4 of Section 37.010, RSMo. Such delegation shall be by the commissioner in writing, acknowledged by the designee in writing and submitted to the system for its permanent records.
2. The state treasurer may appoint an assistant treasurer or any other employee of the treasurer's office, who has been appointed and taken the oath of office pursuant to Section 30.120, RSMo., to perform the state treasurer's duties as a member of the board of trustees. Such appointment shall be by the state treasurer in writing, acknowledged by the appointee in writing and submitted to the system for its permanent records.
3. A person who serves as a designee on the board of trustees, pursuant to section 1 or 2 of this board rule, shall be subject to Missouri Revised Statutes relating to the system, MOSERS Governance Policies and MOSERS Board Rules in the same manner as a member of the board of trustees.<sup>1</sup>

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective July 27, 2007. Amended: Feb. 21, 2018; Mar. 29, 2018; Dec. 21, 2020.*

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<sup>1</sup> The board of trustees shall consist of the state treasurer, the commissioner of administration, two members of the senate appointed by the president pro tem of the senate, two members of the house of representatives appointed by the speaker of the house, two members appointed by the governor, and three members who are members of the system. Mo. Rev. Stat. §104.450.

# MOSERS Board Rules

## **CHAPTER 2** *RETIREMENT UNDER THE CLOSED PLAN (MSEP) (104.010-104.800)*

# MOSERS Board Rules

## **2-1 Military Service**

*PURPOSE: This rule sets forth the procedures for purchasing or receiving creditable service in the system for military service.*

1. A member shall not receive credit under Sections 104.330 and 104.340, RSMo, for active duty and active duty for training unless such service is shown on Form DD 214, NGB Form 23, or other comparable form.
2. Purchased military service will be credited under the type of service the member is accruing when the purchase is completed. If the member is not accruing service when the purchase is completed, the purchased service will be credited under the type of service last accrued prior to the completion of the purchase. No military service will be credited until final payment has been received.
3. Members may not purchase or receive additional creditable service for periods of military service that coincide with periods of employment at a MOSERS covered department for which the member has already received creditable service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Nov. 15, 2000; Dec. 21, 2020.*

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## **2-2 Notification of Unpaid Leave**

*PURPOSE: This rule sets forth the manner in which the system will be notified of a member's unpaid leave for purposes of complying with Section 104.374, RSMo., relating to service credit for unpaid leave.*

The employing department shall give written notice, via electronic files sent to the system or on a form provided by the system, when the employee goes on an unpaid leave due to illness and when the employee returns to work, or at the end of twelve months absence, whichever is sooner. Absence because of pregnancy shall be considered absence for sickness or injury.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

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## **2-3 Notification of Termination of Active Employment and Unused Sick Leave**

*PURPOSE: This rule sets forth the manner in which the system will be notified of a member's termination and the member's unused sick leave accrual.*

1. The employing department shall give written notice, via electronic files sent to the system or on a form provided by the system, when each officer or employee leaves employment. The termination form shall include a statement of the date of the last payroll period for which the employee will be paid.
2. For purposes of Section 104.601, RSMo, the employing department shall report unused sick leave expressed in hours through electronic files sent to the system or on a form provided by the system. The system will credit one twelfth of a year of service for every 168 hours of unused sick leave if the member works continuously until reaching retirement eligibility.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Mar. 30, 2002; Dec. 21, 2020.*

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## **2-4 Computation of Credit**

*PURPOSE: This rule sets forth the manner in which credit is to be calculated for purposes of determining “creditable service” as defined in Section 104.010, RSMo.*

In determining prior service credit and in calculation of creditable service, one calendar month equals one-twelfth of a year and any remaining days shall be converted into months (or one-twelfth of a year) on the basis that each 30 calendar days equals one month and a remainder of 27 or more days will be credited as an additional month. Any balance of less than 27 days will not be used in the calculation. Credit will be computed using the date of employment to the date of termination. Credit will be granted for up to one year of authorized sick leave without pay due to an employee's illness or injury. Credit will not be granted for any other periods of leave without pay unless otherwise provided by law.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

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## 2-5 Verification of Service

*PURPOSE: This rule sets forth the procedures for receiving or purchasing creditable service in the system.*

1. Service must be verified before credit is granted. Proof of service that will be accepted by the system is listed in order of preference:
  - a. Certification by the employing department's payroll/personnel officer listing periods of employment by dates, position, and status or similar certification from the Personnel Division of the Office of Administration for employment in agencies for which the division maintains central payroll/personnel records. Such employing department must certify that the position in which service was rendered required at least 1,040 hours of service per year during any time period on or after August 28, 2007, at least 1,000 hours of service per year for service during any time period on or after October 1, 1984 but prior to August 28, 2007, and at least 1,500 hours of service per year for service during any time period prior to October 1, 1984.
  - b. Certification from retirement records, listing employing department, periods of employment by dates and, if available, position and status.
2. Service may not be purchased pursuant to Section 104.344, RSMo., unless the employer was a governmental entity created pursuant to state law and the employer certifies that the position in which service was rendered required at least the applicable hours as required in subsection 1(a) of this rule. Service performed for a MOSERS covered department that did not qualify as “creditable service” as defined in Section 104.010, RSMo., may not be purchased under Section 104.344, RSMo.
3. Service may not be purchased pursuant to Section 105.691, RSMo, unless the prior system or employer was a governmental entity created pursuant to state law and the employer certifies that the position in which service was rendered required at least the applicable hours as required in subsection 1(a) of this rule. Service performed for a MOSERS covered department that did not qualify as “creditable service” as defined in Section 104.010, RSMo., may not be purchased under Section 105.691, RSMo.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: July 20, 2002; July 20, 2003; July 12, 2008; Dec. 21, 2020.*



# MOSERS Board Rules

## **2-6 Cost of Living Allowance**

*PURPOSE: This rule sets forth the manner in which the cost-of-living adjustment authorized in Sections 104.415 and 104.612, RSMo., is calculated.*

Pursuant to Sections 104.415 and 104.612, RSMo, the annual increase in benefits and/or compensation shall be calculated based upon the percentage increase from year to year in the average monthly values of the consumer price index for all urban consumers (CPI-U) for a calendar year and the increase shall be calculated to the nearest one-thousandth of a percent.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **2-7 Break in Service**

*PURPOSE: This rule sets forth the procedure for determining when an employee has a break in service.*

An employee will have a break in service when the employee is off payroll for 30 calendar days, except when the employee is on an approved leave-of-absence. An approved leave-of-absence without pay will not constitute a break in service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **2-8 Employees Working in More Than One Position**

*PURPOSE: This rule sets forth the manner in which creditable service and compensation are earned by a member working in more than one position for a department(s).*

If a person is employed in at least one position qualifying as an “employee” as defined in Section 104.010, RSMo., and is also employed by a department in a position that would otherwise qualify as an “employee” except that the position normally requires less than 1,040 hours per year:

1. the employee shall accrue membership service at a rate of one day for each calendar day of employment and shall not accrue more than one day of service for any one day of employment; and
2. the employee shall have any compensation received for services performed in the positions described in this rule included as “compensation” as defined in Section 104.010, RSMo., subject to the specific exclusions in that definition. Statutorily required contributions must be paid to the system on any compensation included under this rule.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 12, 2010; Dec. 21, 2020.*

# MOSERS Board Rules

## **2-9 Options Under Section 104.395, RSMo.**

*PURPOSE: This rule sets forth the procedure for naming a spouse or other individual as beneficiary and their eligibility, as provided for in Section 104.395, RSMo.*

1. With respect to options 1 and 2 under Section 104.395, RSMo, spouse means the spouse at the time the retirement application is filed. If the member's spouse dies before the annuity starting date but after the retirement application is filed the member may cancel the member's election and make a new election. The new election shall be effective the first of the month following the date of such spouse's death.
2. With respect to options 3 and 4 under Section 104.395, RSMo, the beneficiary or beneficiaries must be designated in the retirement election. The beneficiaries may be changed by a subsequent designation filed by the member.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **2-10 Service Adjustments for Wrongful Termination**

*PURPOSE: This rule sets forth the procedure for determining creditable service and compensation when a member has been wrongfully terminated.*

In order for an employee to receive retirement credit for the period since his/her dismissal, the employee must be paid a salary or wage for that period of time and the appropriate contribution must be made to the system. The amount of the salary or wage is not pertinent to the employee receiving retirement credit from the system; the amount of salary or wage is a matter to be agreed upon by the department and the employee. However, the amount of salary or wage paid to the employee may affect the amount of the member's retirement benefit. In addition to the previous requirements, any agreement where a dismissed employee receives retirement credit must be approved by a court of law, or administrative tribunal with jurisdiction, so that it has the effect of a court order. The member shall be considered to be on a leave-of-absence without pay (no credit) for the period(s) for which the member receives no back wages, which will not constitute a break in service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## 2-11 Employees on Layoff Status

*PURPOSE: This rule sets forth the procedures for determining layoff status and coverage while in layoff status.*

1. For purposes of this rule, a "layoff" occurs when a department lays off an employee by reason of a shortage of work or funds, the abolition of the position, or other material change in the duties or the organization, or for other related reasons which are outside the employee's control and which do not reflect poor job performance by the employee. This definition is intended to include a furlough, reduction in workforce, or any similar situation where a department eliminates position(s) due to the above reasons. In the event of a layoff, a department should submit a leave of absence form indicating layoff status to the system.
2. Employees on layoff status may continue their basic and optional group life insurance and long-term disability coverage at their own expense. The continuation of such insurance is subject to the terms of coverage for such insurance, but in no event may such insurance be continued beyond 12 months after the employee is laid off. The premium for an individual on layoff status for basic and optional life insurance will be based on the premium that would have been paid by the department for basic coverage and by the individual for optional coverage if the individual had been on active status during the layoff period. The amount of life insurance will be limited to the amount in effect at the date of the layoff. The charge to an individual for long-term disability coverage will be based on the rate of pay in effect at the time of the layoff and the long-term disability rates in effect for active employees during the layoff period. An employee may not earn credited service or salary credit for retirement while on layoff status.
3. Upon reinstatement of an employee on layoff status, the system will reestablish service credit for the employee as of the date of reinstatement.
4. If an employee on layoff status does not return to active employment within 12 months from the date of the employee's layoff, the system will automatically terminate the member and all coverages in effect at the time. This termination will constitute a break in service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: July 18, 2020.*

# MOSERS Board Rules

## **2-12 Creditable Prior Service for Members of the General Assembly**

*PURPOSE: This rule sets forth the manner in which credit is to be calculated for purposes of determining “creditable prior service” as defined in Section 104.010, RSMo.*

1. Except as otherwise provided by law, creditable prior service shall be credited for members of the general assembly by adding all of the creditable prior service that a member has immediately prior to retirement to arrive at total years and months of creditable service and dividing that by 24 (two years expressed in months). Each whole two-year period shall be credited as a biennial assembly and any remaining period of less than two years shall be credited as a biennial assembly.
2. This rule shall not apply to any creditable prior service of a member that has been previously credited in the member's record by staff prior to June 30, 1997.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **2-14 Benefit Eligibility For Full-time and Temporary Employees**

*PURPOSE: This rule sets forth the procedures for complying with Section 104.010, RSMo., relating to membership in the system.*

1. Employees who work in positions after August 28, 2007, normally requiring at least 1,040 hours a year are eligible for benefits from the system. Employees who work in positions prior to August 28, 2007 but on or after October 1, 1984 normally requiring at least 1,000 hours a year are eligible for benefits from the system. Employees who work in positions prior to October 1, 1984 normally requiring at least 1,500 hours a year are eligible for benefits from the system.
2. The number of hours required by a position should be based on the number of hours expected during the normal course of business over a one-year period by position, regardless of whether the position is intended to be temporary or permanent in nature.
3. The department shall determine benefit eligibility of a position at the time the employee is hired.
4. If an employee is determined to be in a benefit eligible position, a membership form shall be completed and sent to the system.
5. If an employee is determined not to be in a benefit eligible position, the department should inform the employee of that fact and maintain documentation to that effect.
6. If, after an employee is hired, the department subsequently determines that the employee's position is a benefit eligible position as described in Section 1 of this rule, the system will grant service credit requests for service rendered if:
  - a. The department submits a membership form for the employee backdated to the original start date;
  - b. The department provides the system with information regarding salary earned by the employee for each month of service requested; and
  - c. The system receives contributions for the salary and period of service requested.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 18, 2010; Dec. 21, 2020.*



# MOSERS Board Rules

## **2-15 Electronic Funds Transfer**

*PURPOSE: This rule sets forth the manner in which retirement benefits will be paid to members and survivors.*

All retirement and survivor benefits or other periodic payments paid by the system shall be paid to the recipients of such payments by electronic funds transfer, unless the benefit recipient requests not to use electronic funds transfer. All retirement and survivor benefits or other periodic payments paid by the system with a starting date after January 1, 2021 shall be paid to the recipients of such payments by electronic funds transfer.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective July 1, 2000. Amended: Nov. 16, 2006; Dec. 21, 2020.*

# MOSERS Board Rules

## **2-17 Interest Charged Members (MSEP)**

*PURPOSE: This rule sets forth the rate of interest charged to members.*

Unless otherwise specifically provided under Chapter 104, RSMo., the rate of interest charged to members or other persons under the closed plan shall be equal to the assumed rate of return on the date of application adopted by the board for the fiscal year in which the application is dated.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 18, 2010. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## 2-20 Judicial Buyout

*PURPOSE: This rule sets forth the procedures for an active judge to make a one-time election to receive a lump sum buyout of the member's deferred normal retirement annuity in the closed plan or year 2000 plan (the "Judicial Buyout"), in accordance with section 104.1089, RSMo.*

### Eligibility

1. Except as otherwise provided under this rule, a member that is employed as an active judge in a position covered by a retirement plan administered under Chapter 476, RSMo., may elect to participate in the Judicial Buyout, if at the time the system receives a complete application by the member, such member:
  - a. is eligible for a deferred normal retirement annuity from MOSERS under Chapter 104, RSMo.; and
  - b. relative to such deferred normal retirement annuity has reached normal retirement age and would otherwise be eligible to receive such normal retirement annuity from MOSERS under Chapter 104, RSMo., but for active employment as a judge, or is at least age 59 ½.
2. Notwithstanding section 1 of this board rule, a member may not participate in the Judicial Buyout if the member:
  - a. is subject to a Division of Benefit Order ("DBO") issued by a court under sections 104.312 or 104.1051, RSMo, and the system has received notice of the DBO before the system issues the buyout payment;
  - b. is married at the time of the election to participate in the Judicial Buyout unless the member's spouse consents in writing to the election;
  - c. dies and the system receives timely notice of the member's death before the system issues the buyout payment;
  - d. is not employed as an active judge in a position covered by a retirement plan administered under Chapter 476, RSMo, and the system has received timely notice of such termination before the system issues the buyout payment; or
  - e. has received an annuity payment under Chapter 104, RSMo., based on the closed plan service or year 2000 plan service.
3. A member may rescind an application in writing, via email or paper, made under section 1 of this board rule if MOSERS receives such rescission before the system issues the buyout payment.

# MOSERS Board Rules

## Payment Calculation

4. The buyout payment made under the Judicial Buyout shall be equal to 60% of the present value of the member's deferred normal retirement annuity as determined under this board rule.
5. The discount rate used to calculate the present value of the member's deferred normal retirement annuity shall be equal to the assumed investment rate of return adopted by the Board for the fiscal year in which the written estimate is dated (the "Assumed Rate of Return").
6. For members of the closed plan employed before August 28, 1997, the assumption for the cost of living adjustments used to calculate the present value of the member's deferred normal retirement annuity shall be 4.00% compounded until the 65% cap is reached, then equal to the assumed cost-of-living adjustment adopted by the Board for the fiscal year in which the written estimate is dated, compounded for life. For members of the closed plan employed on or after August 28, 1997 or members of the year 2000 plan, the assumption for cost of living adjustments used to calculate the present value of the member's deferred normal retirement annuity shall be equal to the assumed cost-of-living adjustment adopted by the Board for the fiscal year in which the written estimate is dated, compounded for life.
7. Present value of the deferred normal retirement annuity will be determined using the Assumed Rate of Return and the mortality assumption adopted by the Board for the fiscal year in which the written estimate is dated. The mortality rates will be unisex using a 50% male/50% female blend of rates.
8. The system's actuary shall determine the present value of the member's deferred normal retirement annuity based on the date of the written estimate.
9. For any member who is covered by the closed plan and is eligible to elect coverage under the year 2000 plan, the member shall be deemed to have elected coverage in the plan that results in the greater buyout payment for the member.
10. Upon request, the system shall provide each member who is eligible or may be eligible to participate in the Judicial Buyout with a disclosure that includes:
  - a. an estimate of the amount of the projected buyout payment under the Judicial Buyout and an estimate of the monthly amount of the member's projected normal retirement annuity if the buyout is not elected; and
  - b. a description of the actuarial assumptions used in the calculation of the present value of the member's deferred normal retirement annuity under the Judicial Buyout.

## Payment

11. The Judicial Buyout payment will be made to the eligible member within 30 calendar days of receipt of the complete application by the system.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Sept 5, 2020.*

# MOSERS Board Rules

## 2-21 Contribution Alternative

*PURPOSE: This rule sets forth the procedures for a department to pre-pay the annual amount due to the system for the normal cost and/or unfunded actuarial accrued liabilities.*

1. The certified contribution rate as described in section 104.436, RSMo., consists of two components: (1) payment of the normal cost rate, including costs of administration of the system; and (2) payment to fund the unfunded actuarial accrued liabilities (“UAAL”) of the system based upon the amortization policy approved by the Board.
2. Except as otherwise provided below, a department shall pay the total amount due for both components in accordance with its ordinary course payrolls during each fiscal year. Alternatively, a department may elect to pre-pay the amount due for one or both components. The prepayment amount will be calculated based upon the present value of expected payments for the fiscal year using assumed payroll as reflected in the results of the actuarial valuation report on which the certified rate was set. A credit will be given to the department equal to the difference between the expected employer contributions in the valuation and the prepayment amount, as calculated by the system’s actuary. The actual amount due to the system will be based upon actual payroll for the fiscal year.
3. A department may pre-pay one or both components of its contribution to the system for the remainder of a fiscal year on July 15, September 1, or November 1. In order to pre-pay any component, a department must notify the system of its election to pre-pay for the fiscal year or the remainder of the fiscal year, whichever is applicable, at least 30 days in advance of the pre-payment date. A department shall continue to pay the certified contribution rate on actual payroll until the pre-payment date.
4. If, as a result of a decrease in the actual payroll as compared to the assumed payroll used in setting the contribution rate, the pre-payment results in an overpayment to the system for the fiscal year, the system shall provide a credit to the department based upon actual payroll to be applied to reduce future contribution payments and shall notify the department of such credit promptly after the amount thereof is determined. If, as a result of an increase in the actual payroll compared to the assumed payroll used in setting the contribution rate, the pre-payment results in an underpayment to the system for the fiscal year, the department shall pay the system the underpaid amount based upon actual payroll, as soon as reasonably practicable after notice thereof to the department.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective July 18, 2020.*



# MOSERS Board Rules

## CHAPTER 3 RETIREMENT UNDER THE YEAR 2000 PLAN (MSEP 2000) (104.1003-104.1093)

# MOSERS Board Rules

## **3-1 Military Service**

*PURPOSE: This rule sets forth the procedures for purchasing or receiving creditable service in the system for military service.*

1. A member shall not receive credit under Section 104.1021, RSMo, for active duty and active duty for training unless such service is shown on Form DD 214, NGB Form 23, or other comparable form.
2. No military service will be credited until final payment has been received.
3. Members may not purchase or receive additional credited service for periods of military service that coincide with periods of employment at a MOSERS covered department for which the member has already received credited service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Nov. 15, 2001; Dec. 21, 2020.*



# MOSERS Board Rules

## **3-2 Notification of Unpaid Leave**

*PURPOSE: This rule sets forth the manner in which the system will be notified of a member's unpaid leave for purposes of complying with Section 104.1021, RSMo. relating to service credit for unpaid leave.*

The employing department shall give written notice, via electronic files sent to the system or on a form provided by the system, when the employee goes on an unpaid leave due to illness and when an employee returns to work, or at the end of 12 months absence, whichever is sooner. Absence because of pregnancy shall be considered absence for sickness or injury.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **3-3 Notification of Termination of Active Employment and Unused Sick Leave**

*PURPOSE: This rule sets forth the manner in which the system will be notified of a member's termination and the member's unused sick leave accrual.*

1. The employing department shall give written notice, via electronic files sent to the system or on a form provided by the system, when each officer or employee leaves employment. The termination form shall include a statement of the date of the last payroll period for which the employee will be paid.
2. For purposes of Section 104.1021, RSMo, the employing department shall report unused sick leave expressed in hours through electronic files sent to the system or on a form provided by the system. The system will credit one twelfth of a year of service for every 168 hours of unused sick leave.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Mar. 30, 2002; Dec. 21, 2020.*

# MOSERS Board Rules

## **3-4 Computation of Credit**

*PURPOSE: This rule sets forth the manner in which credit is to be calculated for purposes of determining “credited service” as defined in Section 104.1003, RSMo.*

In determining prior service credit and in calculation of creditable service, one calendar month equals one-twelfth of a year and any remaining days shall be converted into months (or one-twelfth of a year) on the basis that each 30 calendar days equals one month and a remainder of 27 or more days will be credited as an additional month. Any balance of less than 27 days will not be used in the calculation. Credit will be computed using the date of employment to the date of termination. Credit will be granted for up to one year of authorized sick leave without pay due to an employee's illness or injury. Credit will not be granted for any other periods of leave without pay unless otherwise provided by law.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## 3-5 Verification of Service

*PURPOSE: This rule sets forth the procedures for receiving or purchasing creditable service in the system.*

1. Service must be verified before credit is granted. Proof of service that will be accepted by the system is listed in order of preference:
  - a. Certification by the employing department's payroll/personnel officer listing periods of employment by dates, position, and status or similar certification from the Personnel Division of the Office of Administration for employment in agencies for which the division maintains central payroll/personnel records. Such employing department must certify that the position in which service was rendered required at least 1,040 hours of service per year during any time period on or after August 28, 2007, at least 1,000 hours of service per year for service during any time period on or after October 1, 1984 but prior to August 28, 2007, and at least 1,500 hours of service per year for service during any time period prior to October 1, 1984.
  - b. Certification from retirement records, listing employing department, periods of employment by dates and, if available, position and status.
2. Service may not be purchased pursuant to Section 104.344, RSMo., unless the employer was a governmental entity created pursuant to state law and the employer certifies that the position in which service was rendered required at least the applicable hours as required in subsection 1(a) of this rule. Service performed for a MOSERS covered department that did not qualify as “credited service” as defined in Section 104.1003, RSMo., may not be purchased under Section 104.344, RSMo.
3. Service may not be purchased pursuant to Section 105.691, RSMo, unless the prior system or employer was a governmental entity created pursuant to state law and the employer certifies that the position in which service was rendered required at least the applicable hours as required in subsection 1(a) of this rule. Service performed for a MOSERS covered department that did not qualify as “credited service” as defined in Section 104.1003, RSMo., may not be purchased under Section 105.691, RSMo.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: July 20, 2002; July 20, 2003; July 12, 2008; Dec. 21, 2020.*

# MOSERS Board Rules

## **3-6 Cost of Living Allowance**

*PURPOSE: This rule sets forth the manner in which the cost-of-living adjustment authorized in Section 104.1045, RSMo. is calculated.*

Pursuant to Section 104.1045, RSMo, the annual increase in benefits and/or compensation shall be calculated based upon the percentage increase from year to year in the average monthly values of the consumer price index for all urban consumers (CPI-U) for a calendar year and the increase shall be calculated to the nearest one-thousandth of a percent.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **3-7 Break in Service**

*PURPOSE: This rule sets forth the procedure for determining when an employee has a break in service.*

An employee will have a break in service when the employee is off payroll for 30 calendar days, except when the employee is on an approved leave-of-absence. An approved leave-of-absence without pay will not constitute a break in service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **3-8 Employees Working in More Than One Position**

*PURPOSE: This rule sets forth the manner in which creditable service and compensation are earned by a member working in more than one position for a department(s).*

If a person is employed in at least one position qualifying as an “employee” as defined in Section 104.1003, RSMo., and is also employed by a department in a position that would otherwise qualify as an “employee” except that the position normally requires less than 1,040 hours per year:

1. the employee shall accrue credited service at a rate of one day for each calendar day of employment and shall not accrue more than one day of service for any one day of employment; and
2. the employee shall have any pay received for services performed in the positions described in this rule included as “pay” as defined in Section 104.1003, RSMo., subject to the specific exclusions in that definition. Statutorily required contributions must be paid to the system on any pay included under this rule.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **3-9 Options Under Section 104.1027, RSMo.**

*PURPOSE: This rule sets forth the procedure for naming a spouse or other individual as beneficiary and their eligibility, as provided for in Section 104.1027, RSMo.*

1. With respect to options 1 and 2 under Section 104.1027, RSMo, spouse means the spouse at the time the retirement application is filed. If the member's spouse dies before the annuity starting date but after the retirement application is filed the member may cancel the member's election and make a new election. The new election shall be effective the first of the month following the date of such spouse's death.
2. With respect to options 3 and 4 under Section 104.1027, RSMo, the beneficiary or beneficiaries must be designated in the retirement election. The beneficiaries may be changed by a subsequent designation filed by the member.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*



# MOSERS Board Rules

## **3-10 Service Adjustments for Wrongful Termination**

*PURPOSE: This rule sets forth the procedure for determining creditable service and compensation when a member has been wrongfully terminated.*

In order for an employee to receive retirement credit for the period since his/her dismissal, the employee must be paid a salary or wage for that period of time, and the appropriate contribution must be made to the system. The amount of the salary or wage is not pertinent to the employee receiving retirement credit from the system; the amount of salary or wage is a matter to be agreed upon by the department and the employee. However, the amount of salary or wage paid to the employee may affect the amount of the member's retirement benefit. In addition to the previous requirements, any agreement where a dismissed employee receives retirement credit must be approved by a court of law, or administrative tribunal with jurisdiction, so that it has the effect of a court order. The member shall be considered to be on a leave-of-absence without pay (no credit) for the period(s) for which the member receives no back wages, which will not constitute a break in service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **3-11 Employees on Layoff Status**

*PURPOSE: This rule sets forth the procedures for determining layoff status and coverage while in layoff status.*

1. For purposes of this rule, a "layoff" occurs when a department lays off an employee by reason of a shortage of work or funds, the abolition of the position, or other material change in the duties or the organization, or for other related reasons which are outside the employee's control and which do not reflect poor job performance by the employee. This definition is intended to include a furlough, reduction in workforce, or any similar situation where a department eliminates position(s) due to the above reasons. In the event of a layoff, a department should submit a leave of absence form indicating layoff status to the system.
2. Employees on layoff status may continue their basic and optional group life insurance and long-term disability coverage at their own expense. The continuation of such insurance is subject to the terms of coverage for such insurance, but in no event may such insurance be continued beyond 12 months after the employee is laid off. The monthly premium for an individual on layoff status for basic and optional life insurance will be based on the premium that would have been paid by the department for basic coverage and by the individual for optional coverage if the individual had been on active status during the layoff period. The amount of life insurance will be limited to the amount in effect at the date of the layoff. The monthly charge to an individual for long-term disability coverage will be based on the rate of pay in effect at the time of the layoff and the long-term disability rates in effect for active employees during the layoff period. An employee may not earn credited service or salary credit for retirement while on layoff status.
3. Upon reinstatement of an employee on layoff status, the system will reestablish service credit for the employee as of the date of reinstatement.
4. If an employee on layoff status does not return to active employment within 12 months from the date of the employee's layoff, the system will automatically terminate the member and all coverages in effect at the time. This termination will constitute a break in service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: July 18, 2020.*

# MOSERS Board Rules

## **3-12 Benefit Eligibility for Full-time and Temporary Employees**

*PURPOSE: This rule sets forth the procedures for complying with Section 104.1003, RSMo., relating to membership in the system.*

1. Employees who work in positions after August 28, 2007, normally requiring at least 1,040 hours a year are eligible for benefits from the system. Employees who work in positions prior to August 28, 2007 normally requiring at least 1,000 hours a year are eligible for benefits from the system.
2. The number of hours required by a position should be based on the number of hours expected during the normal course of business over a one-year period by position, regardless of whether the position is intended to be temporary or permanent in nature.
3. The department shall determine benefit eligibility at the time the employee is hired.
4. If an employee is determined to be in a benefit eligible position, a membership form shall be completed and sent to the system.
5. If an employee is determined not to be in a benefit eligible position, the department should inform the employee of that fact and maintain documentation to that effect.
6. If, after an employee is hired, the department subsequently determines that the employee's position is a benefit eligible position as described in Section 1 of this rule, the system will grant service credit requests for service if:
  - a. The department submits a membership form for the employee backdated to the original start date;
  - b. The department provides the system with information regarding salary earned by the employee for each month of service requested; and
  - c. The system receives contributions for the salary and service credit requested.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 18, 2010; Dec. 21, 2020.*

# MOSERS Board Rules

## **3-13 Electronic Funds Transfer**

*PURPOSE: This rule sets forth the manner in which retirement benefits will be paid to members and survivors.*

All retirement and survivor benefits or other periodic payments paid by the system shall be paid to the recipients of such payments by electronic funds transfer, unless the benefit recipient requests not to use electronic funds transfer. All retirement and survivor benefits or other periodic payments paid by the system with a starting date after January 1, 2021 shall be paid to the recipients of such payments by electronic funds transfer.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective July 1, 2000. Amended: Nov. 16, 2006; Dec. 21, 2020.*

# MOSERS Board Rules

## **3-15 Interest Charged Members (MSEP 2000)**

*PURPOSE: This rule sets forth the rate of interest charged to members.*

Unless otherwise specifically provided under Chapter 104, RSMo, the rate of interest charged to members or other persons under the MSEP 2000 Plan shall be equal to the assumed rate of return on the date of application as adopted by the board of trustees for the fiscal year in which the application is dated.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 18, 2010. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **3-16 Administration of MSEP 2011**

*PURPOSE: This rule sets forth the procedures for reinstatement of forfeited service credit and the refund of employee contribution as authorized in Section 104.1091, RSMo.*

1. A member who previously terminated employment and received a refund of the member's contributions may receive credited service for such forfeited service pursuant to Section 104.1091.8(6), RSMo. Such member must return to work in a benefit eligible position and return to the system the amount previously refunded plus annually compounded interest from the date of the initial refund at the same rate of interest established by the board of trustees under Board Rule 3-15 in effect at the time the member elects to return the previously refunded amount. Members shall have up to 24 months measured from date of election to return the amount refunded plus interest.
2. A member may designate a beneficiary to receive a refund of member contributions upon the member's death as provided for pursuant to Section 104.1091.8(7), RSMo. In the event a member fails to designate a beneficiary or there is not a living beneficiary at the time of the member's death, benefits shall be paid as provided in Section 104.1054.4, RSMo. Staff shall determine any refund due a beneficiary or other eligible person based on the principal amount of employee contributions made by the member including any interest accrued on those amounts pursuant to Section 104.1091.8(5), RSMo.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 18, 2010. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## 3-19 Judicial Buyout

*PURPOSE: This rule sets forth the procedures for an active judge to make a one-time election to receive a lump sum buyout of the member's deferred normal retirement annuity in the closed plan or year 2000 plan (the "Judicial Buyout"), in accordance with section 104.1089, RSMo.*

### Eligibility

1. Except as otherwise provided under this rule, a member that is employed as an active judge in a position covered by a retirement plan administered under Chapter 476, RSMo., may elect to participate in the Judicial Buyout, if at the time the system receives a complete application by the member, such member:
  - a. is eligible for a deferred normal retirement annuity from MOSERS under Chapter 104, RSMo.; and
  - b. relative to such deferred normal retirement annuity has reached normal retirement age and would otherwise be eligible to receive such normal retirement annuity from MOSERS under Chapter 104, RSMo., but for active employment as a judge, or is at least age 59 ½.
2. Notwithstanding section 1 of this board rule, a member may not participate in the Judicial Buyout if the member:
  - a. is subject to a Division of Benefit Order ("DBO") issued by a court under sections 104.312 or 104.1051, RSMo, and the system has received notice of the DBO before the system issues the buyout payment;
  - b. is married at the time of the election to participate in the Judicial Buyout unless the member's spouse consents in writing to the election;
  - c. dies and the system receives timely notice of the member's death before the system issues the buyout payment;
  - d. is not employed as an active judge in a position covered by a retirement plan administered under Chapter 476, RSMo, and the system has received timely notice of such termination before the system issues the buyout payment; or
  - e. has received an annuity payment under Chapter 104, RSMo., based on the closed plan service or year 2000 plan service.
3. A member may rescind an application in writing, via email or paper, made under section 1 of this board rule if MOSERS receives such rescission before the system issues the buyout payment.

# MOSERS Board Rules

## Payment Calculation

4. The buyout payment made under the Judicial Buyout shall be equal to 60% of the present value of the member's deferred normal retirement annuity as determined under this board rule.
5. The discount rate used to calculate the present value of the member's deferred normal retirement annuity shall be equal to the assumed investment rate of return adopted by the Board for the fiscal year in which the written estimate is dated (the "Assumed Rate of Return").
6. For members of the closed plan employed before August 28, 1997, the assumption for the cost of living adjustments used to calculate the present value of the member's deferred normal retirement annuity shall be 4.00% compounded until the 65% cap is reached, then equal to the assumed cost-of-living adjustment adopted by the Board for the fiscal year in which the written estimate is dated, compounded for life. For members of the closed plan employed on or after August 28, 1997 or members of the year 2000 plan, the assumption for cost of living adjustments used to calculate the present value of the member's deferred normal retirement annuity shall be equal to the assumed cost-of-living adjustment adopted by the Board for the fiscal year in which the written estimate is dated, compounded for life.
7. Present value of the deferred normal retirement annuity will be determined using the Assumed Rate of Return and the mortality assumption adopted by the Board for the fiscal year in which the written estimate is dated. The mortality rates will be unisex using a 50% male/50% female blend of rates.
8. The system's actuary shall determine the present value of the member's deferred normal retirement annuity based on the date of the written estimate.
9. For any member who is covered by the closed plan and is eligible to elect coverage under the year 2000 plan, the member shall be deemed to have elected coverage in the plan that results in the greater buyout payment for the member.
10. Upon request, the system shall provide each member who is eligible or may be eligible to participate in the Judicial Buyout with a disclosure that includes:
  - a. an estimate of the amount of the projected buyout payment under the Judicial Buyout and an estimate of the monthly amount of the member's projected normal retirement annuity if the buyout is not elected; and
  - b. a description of the actuarial assumptions used in the calculation of the present value of the member's deferred normal retirement annuity under the Judicial Buyout.

## Payment

11. The Judicial Buyout payment will be made to the eligible member within 30 calendar days of receipt of the complete application by the system.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Sept 5, 2020.*



# MOSERS Board Rules

## CHAPTER 4 RETIREMENT UNDER THE JUDICIAL AND ADMINISTRATIVE LAW JUDGE PLAN

# MOSERS Board Rules

## **4-1 Military Service**

*PURPOSE: This rule sets forth the procedures for purchasing or receiving creditable service in the system for military service.*

1. A judge or administrative law judge shall not receive credit respectively under Sections 476.524 or 287.856, RSMo, for active duty and active duty for training unless such service is shown on Form DD 214, NGB Form 23, or other comparable form.
2. No military service will be credited until final payment has been received.
3. A judge or administrative law judge may not purchase or receive additional credited service for periods of military service that coincide with periods of employment for which the member has already received credited service.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **4-2 Notification of Unpaid Leave**

*PURPOSE: This rule sets forth the manner in which the system will be notified of a member's unpaid leave for purposes of providing service credit for unpaid leave.*

The employing department shall give written notice via electronic files sent to the system or on a form provided by the system, when the judge or administrative law judge goes on an unpaid leave due to illness and when the judge or administrative law judge returns to work, or at the end of 12 months absence, whichever is sooner. Absence because of pregnancy shall be considered absence for sickness or injury.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **4-3 Notification of Termination of Active Employment**

*PURPOSE: This rule sets forth the manner in which the system will be notified of a member's termination and the member's unused sick leave accrual.*

The employing department shall give written notice via electronic files sent to the system or on a form provided by the system, when a judge or administrative law judge leaves employment, which notice shall include a statement of the date of the last payroll period for which the judge will be paid.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## 4-4 Verification of Service

*PURPOSE: This rule sets forth the procedures for receiving or purchasing creditable service in the system.*

1. Service must be verified before credit is granted. Proof of service that will be accepted by the system is listed in order of preference:
  - a. Certification by the employing department's payroll/personnel officer listing periods of employment by dates, position, and status or similar certification from the Personnel Division of the Office of Administration for employment in agencies for which the division maintains central payroll/personnel records.
  - b. Certification from retirement records, listing employing department, periods of employment by dates and, if available, position and status.
2. Service may not be purchased pursuant to Sections 104.344 or 105.691, RSMo., unless the employer was a governmental entity created pursuant to state law and the employer certifies that the position in which service was rendered required at least the applicable hours as required in subsection 1(a) of this Board Rule 2-5. Service performed for a MOSERS covered department that did not qualify as “creditable service” as defined in Section 104.010, RSMo., may not be purchased under 104.344, RSMo.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **4-5 Cost of Living Allowance**

*PURPOSE: This rule sets forth the manner in which the cost-of-living adjustment authorized in Sections 476.601 and 287.820, RSMo., is calculated.*

Pursuant to Sections 476.601 and 287.820, RSMo, the annual increase in benefits and/or compensation shall be calculated based upon the average of the monthly values of the consumer price index for all urban consumers (CPI-U) for a calendar year and the increase shall be calculated to the nearest one-thousandth of a percent.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **4-6 Electronic Funds Transfer**

*PURPOSE: This rule sets forth the manner in which retirement benefits will be paid to members and survivors.*

All retirement and survivor benefits or other periodic payments paid by the system shall be paid to the recipients of such payments by electronic funds transfer, unless the benefit recipient requests not to use electronic funds transfer. All retirement and survivor benefits or other periodic payments paid by the system with a starting date after January 1, 2021 shall be paid to the recipients of such payments by electronic funds transfer.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective July 1, 2000.  
Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## **4-7 Interest Charged to Judges**

*PURPOSE: This rule sets forth the rate of interest charged to members.*

Unless otherwise specifically provided under Chapter 476 or Chapter 287, RSMo, the rate of interest charged to a judge or administrative law judge or other persons covered under the Judicial Plan shall be equal to the assumed rate of return on the date of application as adopted by the board of trustees for the fiscal year in which the application is dated.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 21, 2020.*



# MOSERS Board Rules

## **4-8 Administration of Judicial 2011 Tier**

*PURPOSE: This rule sets forth the procedures for reinstatement of forfeited service credit and the refund of employee contribution when no beneficiary is named.*

1. A judge who previously terminated employment and received a refund of the member's contributions may receive credited service for such forfeited service pursuant to Section 476.521.6(6), RSMo. Such judge must return to work in a position covered by the Judicial Plan and return to the system the amount previously refunded plus annually compounded interest from the date of the initial refund at the same rate of interest established by the board of trustees under Board Rule 4-7 in effect at the time the judge elects to return the previously refunded amount. Judges shall have up to 24 months measured from date of election to return the amount refunded plus interest.
2. A judge may designate a beneficiary to receive a refund of a judge's contributions upon the judge's death as provided for pursuant to Section 476.521.6(7), RSMo. In the event a judge fails to designate a beneficiary or there is not a living beneficiary at the time of the judge's death, benefits shall be paid as provided in Section 476.529, RSMo., as if the judge was a deceased member under that section. Staff shall determine any refund due a beneficiary or other eligible person based on the principal amount of employee contributions made by the judge including any interest accrued on those amounts pursuant to Section 476.521.6(5), RSMo.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 21, 2020.*

# MOSERS Board Rules

## **4-9 Termination of Employment and Reemployment of ALJ Plan Retiree**

*PURPOSE: The purpose of this rule is to set-forth procedures relative to compliance with the Internal Revenue Code and Treasury Regulations regarding retiree re-employment and in-service distributions.*

1. An administrative law judge or legal advisor (collectively, a “member”) is not entitled to receive an in-service distribution from the system.
2. An in-service distribution occurs when a member receives a distribution from the system without a bona fide termination of the member’s employment. To receive retirement benefits from the system, a member must have a bona fide termination of the member’s employment and satisfy the other requirements of Chapter 287.
3. For purposes of this rule, a "bona fide termination" occurs when: (i) a member has completely severed the member’s employment; (ii) the member has not entered into a prearranged agreement, prior to retirement, with any employer for subsequent employment on any basis (full-time, part-time, or other); and (iii) the member is not subsequently employed by any employer on any basis (full-time, part-time, or other) within 30 days after the member’s employment with the member’s prior employer has ended.
4. For purposes of this rule, “employer” means the State of Missouri or any other employer covered by Chapters 104, 287, or 476, RSMo.
5. If a member receives retirement benefits without a bona fide termination, then: (a) all further benefit payments shall cease; and (b) the member shall be required to repay to the system all retirement benefits received from the system plus applicable interest based on the assumed rate of return on the date of the member's retirement. Any amounts, including interest, not repaid by the member to the system shall be subject to collection from the member's future retirement benefits. The member’s retirement shall be deemed null and void and during the member’s continued employment, the member shall be treated as having not retired for purposes of benefit accrual and shall be subject to all plan provisions for active members. In addition, any payment deemed to be an in-service distribution may be subject to a 10% early distribution penalty.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 21, 2020.*

# MOSERS Board Rules

## **4-10 Termination of Employment and Reemployment of Judicial Plan Retiree or Judicial Plan 2011 Retiree**

*PURPOSE: The purpose of this rule is to set-forth procedures relative to compliance with the Internal Revenue Code and Treasury Regulations regarding retiree re-employment and in-service distributions.*

1. A judge is not entitled to receive an in-service distribution from the system, except while serving as a senior commissioner or a senior judge.
2. An in-service distribution occurs when a judge receives a distribution from the system without a bona fide termination of the judge's employment. To receive retirement benefits from the system, a judge must have a bona fide termination of the judge's employment and satisfy the other requirements of Chapter 476.
3. For purposes of this rule, a "bona fide termination" occurs when: (i) a judge has completely severed the judge's employment; (ii) the judge has not entered into a prearranged agreement, prior to retirement, with any employer for subsequent employment on any basis (full-time, part-time, or other); and (iii) the judge is not subsequently employed by any employer on any basis (full-time, part-time, or other) within 30 days after the judge's employment with the judge's prior employer has ended.
4. For purposes of this rule, "employer" means the State of Missouri or any other employer covered by Chapters 104, 287, or 476, RSMo.
5. If a judge receives retirement benefits without a bona fide termination, then: (a) all further benefit payments shall cease; and (b) the judge shall be required to repay to the system all retirement benefits received from the system plus applicable interest based on the assumed rate of return on the date of the judge's retirement. Any amounts, including interest, not repaid by the judge to the system shall be subject to collection from the judge's future retirement benefits. The judge's retirement shall be deemed null and void and during the judge's continued employment, the judge shall be treated as having not retired for purposes of benefit accrual and shall be subject to all plan provisions for active judges. In addition, any payment deemed to be an in-service distribution may be subject to a 10% early distribution penalty.
6. If a judge serves as a senior commissioner or senior judge without a bona fide termination, all benefit payments received while the judge is under the age of 59 ½ may be subject to a 10% early distribution penalty.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 21, 2020.*

# MOSERS Board Rules

## 4-11 Contribution Alternative

*PURPOSE: This rule sets forth the procedures for a department to pre-pay the annual amount due to the system for the normal cost and/or unfunded actuarial accrued liabilities.*

1. The certified contribution rate as described in section 476.580, RSMo., consists of two components: (1) payment of the normal cost rate, including costs of administration of the system; and (2) payment to fund the unfunded actuarial accrued liabilities (“UAAL”) of the system based upon the amortization policy approved by the Board.
2. Except as otherwise provided below, a department shall pay the total amount due for both components in accordance with its ordinary course payrolls during each fiscal year. Alternatively, a department may elect to pre-pay the amount due for one or both components. The prepayment amount will be calculated based upon the present value of expected payments for the fiscal year using assumed payroll as reflected in the results of the actuarial valuation report on which the certified rate was set. A credit will be given to the department equal to the difference between the expected employer contributions in the valuation and the prepayment amount, as calculated by the system’s actuary. The actual amount due to the system will be based upon actual payroll for the fiscal year.
3. A department may pre-pay one or both components of its contribution to the system for the remainder of a fiscal year on July 15, September 1, or November 1. In order to pre-pay any component, a department must notify the system of its election to pre-pay for the fiscal year or the remainder of the fiscal year, whichever is applicable, at least 30 days in advance of the pre-payment date. A department shall continue to pay the certified contribution rate on actual payroll until the pre-payment date.
4. If, as a result of a decrease in the actual payroll as compared to the assumed payroll used in setting the contribution rate, the pre-payment results in an overpayment to the system for the fiscal year, the system shall provide a credit to the department based upon actual payroll to be applied to reduce future contribution payments and shall notify the department of such credit promptly after the amount thereof is determined. If, as a result of an increase in the actual payroll compared to the assumed payroll used in setting the contribution rate, the pre-payment results in an underpayment to the system for the fiscal year, the department shall pay the system the underpaid amount based upon actual payroll, as soon as reasonably practicable after notice thereof to the department.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective July 18, 2020.*

# MOSERS Board Rules

## **4-12 Vesting**

*PURPOSE: This rule sets forth the manner in which a Judge waives retirement benefits under Section 476.683, RSMo.*

1. Notwithstanding RSMo § 476.683 or any other provision of the Judicial Plans to the contrary, a member shall be 100% vested in the benefits provided under the Plan upon reaching the Plan's eligibility requirements for an unreduced retirement benefit.
2. Pursuant to RSMo § 476.683, a member who becomes eligible for retirement compensation after August 13, 1988, but does not retire before reaching the stipulated age shall cease accruing service and compensation credit benefits under the Plan as of the date the member turns the stipulated age. Any service or compensation that would otherwise accrue after the Judge reached the stipulated age shall not be considered when calculating the member's retirement benefit.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Feb. 17, 2023.*

# MOSERS Board Rules

## **4-13 Application of Chapter 104**

*PURPOSE: This rule clarifies that provisions in Chapter 104 necessary for compliance with the Internal Revenue Code also apply to the Judicial Plan and the Administrative Law Judge and Legal Advisor Retirement Plan.*

1. Unless the context clearly indicates otherwise, the provisions of Chapter 104 of the RSMo that apply to the Missouri State Employees Retirement Plan also apply to the Judicial Plans and the Administrative Law Judge and Legal Advisor Retirement Plan ("ALJ Plan").

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Feb. 17, 2023.*

# MOSERS Board Rules

## CHAPTER 5 LIFE INSURANCE

# MOSERS Board Rules

## **5-1 Procurement by Contract**

*PURPOSE: This rule provides for the engagement of a life insurance provider as authorized by Sections 104.517 and 104.1072, RSMo.*

Under the authority granted by Sections 104.517 and 104.1072, RSMo, the board of trustees has elected to procure life insurance by contract through a group policy issued by an insurance company licensed in the state of Missouri.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*



# MOSERS Board Rules

## 5-2 Procurement Procedures

*PURPOSE: This rule sets forth the method and manner in which the system will monitor a life insurance provider.*

The following information shall be provided at applicable intervals, referenced below, to the board of trustees by mail or electronically (via email or on the board website) unless the executive director decides or the board of trustees requests that the information is to be presented in person during a regularly scheduled board meeting.

1. The insurance/risk manager consultant shall advise the board of trustees annually of the conditions of the life insurance marketplace and whether or not rates have changed significantly.
2. Beginning in 2003, the insurance/risk manager consultant and the system staff shall conduct periodic due diligence meetings with the life insurance provider at least every three years in order to analyze plan design, customer service, and rate issues. The Consultant and the system's staff will summarize the findings of these meetings in a report to the board of trustees.
3. The executive director may recommend to the board of trustees changes to the life insurance contract or the issuance of a request for proposal from additional insurers:
  - a. Based on the information provided to the board of trustees under this rule;  
or
  - b. Whenever the executive director determines it is appropriate to do so.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Nov. 21, 2002. Amended: Dec. 21, 2020.*



# MOSERS Board Rules

## CHAPTER 6 LONG-TERM DISABILITY INSURANCE

# MOSERS Board Rules

## **6-1 Procurement by Contract**

*PURPOSE: This rule provides for the engagement of a long-term disability insurance provider as authorized by Sections 104.518 and 104.1075, RSMo.*

Under the authority granted by Sections 104.518 and 104.1075, RSMo, the board of trustees has elected to procure long-term disability coverage by contract through a group policy issued by an insurance company licensed in the state of Missouri.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Dec. 31, 1999. Amended: Dec. 21, 2020.*

# MOSERS Board Rules

## 6-2 Procurement Procedures

*PURPOSE: This rule sets forth the method and manner in which the system will monitor a long-term disability insurance provider.*

The following information shall be provided at applicable intervals, referenced below, to the board of trustees by mail or electronically (via email or on the board website) unless the executive director decides or the board of trustees requests that the information is to be presented in person during a regularly scheduled board meeting.

1. The insurance/risk manager consultant shall advise the board of the conditions of the long-term disability insurance marketplace and whether or not rates have changed significantly.
2. Beginning in 2003, the insurance/risk manager consultant and the system's staff shall conduct periodic due diligence meetings with the long-term disability insurance provider at least every three years in order to analyze plan design, customer service, and rate issues. The consultant and the system's staff will summarize the findings of these meetings in a report to the board of trustees.
3. The executive director may recommend to the board of trustees changes to the long-term disability insurance contract or the issuance of a request for proposal from additional insurers:
  - a. Based on the information provided to the board of trustees under this rule;  
or
  - b. Whenever the executive director determines it is appropriate to do so.

*AUTHORITY: Section 104.1063, RSMo Supp. 1999. Original rule effective Nov. 21, 2002. Amended: Dec. 21, 2020.*







































































