

4-1 Interest Charged to Members

Unless otherwise specifically provided under Chapter 104, RSMo., in any case where an application or request to MPERS requires a valuation or other calculation related to credited service, the rate of interest applied under the Year 2000 Plan shall be equal to the investment rate of return adopted by the Board and in effect at the time the request or application is accepted and approved by MPERS.

4-2 Computation of Credit

Benefit calculations:

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 15 or more days will be credited as an additional month. Any balance of less than 15 days will not be used in the calculation. Credit will be computed using the date of employment to the date of termination.

Benefit eligibility:

For rule of 80 purposes, in determining prior service credit and in calculation of creditable service as well as for age, 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. (Note: Any remaining days of service and days of age may be combined for the purposes of this policy to equal 30 days, if applicable.) Any balance of less than 30 days will not be used in the calculation. Credit for service will be computed using the date of employment to the date of termination and the credit for age computed from the date of birth to the annuity starting date.

For purposes other than rule of 80, credit for service will be computed using the date of employment to the date of termination and the credit for age computed from the date of birth to the annuity starting date. If the age for eligibility and the member's date of birth both occur on the first of the month, the member will have achieved eligibility to retire at that time. If the age for eligibility is reached any day after the first of a month, the member's annuity starting date will be the first of the following month.

4-3 Leaves of Absence

For leaves of absence of 10 working days or less, the employee will receive credit for the time away from employment. If the duration is for 11 or more working days, the employee shall retain all prior creditable service upon his/her return to regular employment, but shall not be credited with such time as s/he was absent from employment.

4-4 Break in Service

An employee will experience a break in service when the employee is off of payroll for 30 consecutive 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.

4-5 Employees Working in More Than One Position

If an employee is employed in at least one position qualifying under the retirement system, 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. The total compensation received by an employee for all positions qualifying under the retirement system and from each position which would otherwise qualify except the position normally requires less than 1,040 hours per year, shall be recognized in determining the amount of the member's benefits. MPERS must be in receipt of contributions by the employer, and where applicable, by the employee, in order to accrue membership service for both positions. This provision only applies when both positions are under MPERS.

4-6 Employees with Multiple Types of Service

For employees who have service as both a uniformed member as well as a non-uniformed member, there is no need to prorate benefits based on each capacity as the formulas are the same. The total combined service will determine the member's eligibility for benefits. If one benefit is eligible for payment then all benefits accrued by the member are payable. For final average pay purposes, the highest 36 consecutive months of compensation for the entire period of combined service will be identified and applied to both periods of service.

4-7 Vested-Former Member Buyout Program

The purpose of this board rule is to establish the Vested-Former Member Buyout Program ("buyout program") in accordance with Sections 104.1063 and 104.1092, RSMo.

Eligibility

- 1) Except as otherwise provided under this board rule, a member of the Closed Plan or Year 2000 Plan, shall be eligible to elect to participate in the buyout program based on service rendered in the retirement plans administered by MPERS under Chapter 104 covering the member at the time of the most recent termination of employment if such member:
 - a. terminated from MPERS- and MOSERS-covered employment for the applicable retirement plan prior to July 1, 2017;
 - b. is eligible for a deferred retirement annuity from the applicable retirement plan on and after July 1, 2017;
 - c. will not be eligible to receive a normal retirement annuity from the applicable retirement plan prior to January 1, 2018; and
 - d. files an application with the system to participate in the buyout program for service rendered in the applicable retirement plan (including any information necessary to complete the application) by no later than November 30, 2017. This means the application and any other necessary information must either be postmarked by or physically received at the system by the close of business November 30, 2017.
- 2) A member may rescind an election made under paragraph 1 above at any time prior to the system issuing a buyout payment to such member by mail or electronically.
- 3) A member shall not be eligible to elect to participate in the buyout program if, prior to the system issuing a buyout payment, such member:
 - a. is subject to a Division of Benefit Order (DBO) issued by a court under Section 104.312 or 104.1051, RSMo., and the system receives timely notice of such DBO;
 - b. is married at the time of such election, unless such member's spouse consents in writing to such election;
 - c. dies and the system receives timely notice of such death; or

- d. becomes an “employee” (as defined in Section 104.010 or 104.1003, RSMo.), covered by MPERS or MOSERS, and the system receives timely notice of such employment status.

Payment Calculation

- 4) The buyout payment made under the buyout program shall be equal to fifty percent (50%) of the present value of the member’s deferred normal retirement annuity, based on a straight life annuity and the actuarial assumptions from the most recent valuation, due any eligible member as provided in this board rule. The system shall determine the present value with assistance from the system’s actuary. For those members covered by the Closed Plan and eligible to elect coverage under the Year 2000 Plan, the present value shall be based on whichever plan provides the highest present value. The system shall communicate to eligible members a description of the actuarial assumptions used in the calculation of the present value.
- 5) The present value of such deferred annuity under paragraph 4 above of this board rule shall be determined as of October 1, 2017, regardless of when a member makes an election to participate in the buyout program or the system issues a buyout payment under such program.
- 6) The system shall provide each eligible vested-former member that meets the definitions noted in paragraph 1 above, with an estimate comparing the amount of the estimated buyout payment with the projected monthly benefit payment payable on the date of eligibility for a normal annuity.
- 7) The system shall identify eligible members and send out such estimates and other communications related to the buyout program by October 2, 2017. These communications shall clearly state that each member is subject to the requirements under subsection 3 of Section 104.1092 upon making such election and receiving such buyout payment.
- 8) The member may choose to take the buyout payment either as an eligible rollover distribution (i.e., roll over to a 401(a) account) or as a taxable direct payment. Payments will be made by the system beginning in January 2018, as soon as practically possible, but no later than May 31, 2018.
- 9) The system will make reasonable efforts to locate vested-former members who have not maintained a current address. All members are subject to the limited window provided herein, even if they were not located prior to the window closing.
- 10) All other administrative decisions not contemplated or specifically contained in this rule shall be subject to final approval by the executive director.