

5-1 Interest Credited to Members¹

Pursuant to Section 104.1091.8(5), RSMo. Staff shall apply interest credit based on member employment on the last working day of June. For clarity, if the member is not employed or vested on the last worked day of June, then no interest credit is due.

5-2 Interest Charged to Members

- (1) 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 2011 Tier shall be equal to the investment rate of return adopted by the Board in effect at the time the request or application is accepted and approved by MPERS.
- (2) When funds have been refunded from a member's account, the interest on the amount due to the System under an application to restore the corresponding service shall be compounded annually from the date of a member's refund.

5-3 Reemployment of Member²

Pursuant to Section 104.1091.8(6), RSMo., a member who previously forfeited credited service upon termination of employment and accepted a refund of member contributions, who again becomes a member of the System, such forfeited credited service shall be restored if the member returns to the System the amount previously refunded plus additional interest as established by the Board* as of the date the restoration is calculated. Such additional interest shall be calculated from the date of the refund to the date on which the restoration cost is calculated through the date it will be paid in full. Such restored service shall be paid in full via a process stipulated by the System, within a period not to exceed 24 months, and prior to the application for retirement. Full restoration cost will be credited to the member's account.

*Additional interest shall be the amount of interest paid with a rate derived from the current actuarially assumed rate of return, expressed as a percentage.

5-4 Computation of Credit³

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.

¹ Revised September 25, 2014; removed old *Section 5-1 2011 Tier – Implementation*.

² Revised September 25, 2014 and September 28, 2017.

³ Revised November 17, 2016.

Benefit eligibility:

For rule of 90 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 90, 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.

5-5 Employees with Multiple Types of Service⁴

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.

5-6 Refund of Contributions to Include Purchased Service⁵

Pursuant to Section 104.1091.8(6), refund of contributions shall include any monies received from the member for purchased service in addition to the mandatory 4 percent employee contributions.

⁴ Revised November 17, 2016.

⁵ Revised June 21, 2018.