

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1774**  
**94TH GENERAL ASSEMBLY**

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Reported from the Special Committee on Retirement January 31, 2008 with recommendation that House Committee Substitute for House Bill No. 1774 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

4530L.02C

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**AN ACT**

To repeal section 169.010, RSMo, and to enact in lieu thereof one new section relating to the Missouri public school retirement system, with an emergency clause.

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

Section A. Section 169.010, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 169.010, to read as follows:

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

- (1) "Accumulated contributions" shall mean the sum of the annual contributions a member has made to the retirement system through deductions from the member's salary, plus interest compounded annually on each year's contributions from the end of the school year during which such contributions were made;
- (2) "Board" shall mean the board of trustees provided for in sections 169.010 to 169.130;
- (3) "Creditable service" shall mean prior service or membership service, or the sum of the two, if the member has both to the member's credit;
- (4) "District" shall mean public school, as herein defined;
- (5) "Employ" shall have a meaning agreeable with that herein given to employer and employee;
- (6) "Employee" shall be synonymous with the term "teacher" as the same is herein defined;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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

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

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

30 (10) "Membership service" shall mean service rendered by a member of the retirement  
31 system after the system becomes operative, and may include a period of service in the armed  
32 forces of the United States as provided for in section 169.055;

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

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

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

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

46 (15) "Salary", "salary rate" or "compensation" shall mean the regular remuneration,  
47 including any payments made pursuant to sections 168.500 to 168.515, RSMo, which is earned  
48 by a member as an employee of a district, but not including employer-paid fringe benefits except  
49 the value of employer-paid medical benefits (including dental and vision) for members, and not  
50 including employer-paid medical benefits (including dental and vision) for anyone other than the

51 member, employer contributions to any deferred compensation plan, consideration for agreeing  
52 to terminate employment or other nonrecurring or unusual payments that are not a part of regular  
53 remuneration. The board by its rules may further define salary, salary rate and compensation in  
54 a manner consistent with this definition and with sections 169.010 to 169.141;

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

57 (17) "Teacher" shall mean any person who shall be employed by any public school on  
58 a full-time basis and who shall be duly certificated under the law governing the certification of  
59 teachers; any person employed in the state department of elementary and secondary education  
60 or by the state board of education on a full-time basis who shall be duly certificated under the  
61 law governing the certification of teachers and who did not become a member of the Missouri  
62 state employees' retirement system pursuant to section 104.342, RSMo; and persons employed  
63 by the board of trustees of the public school retirement system of Missouri on a full-time basis  
64 who shall be duly certified under the law governing the certification of teachers. The term  
65 "teacher" shall be synonymous with the term "employee" as defined in this section.

Section B. Because of the immediate need to clarify the calculation of retirement benefits  
2 for members retiring under the Missouri public school retirement system, the repeal and  
3 reenactment of section A of this act is deemed necessary for the immediate preservation of the  
4 public health, welfare, peace, and safety, and is hereby declared to be an emergency act within  
5 the meaning of the constitution, and section A of this act shall be in full force and effect upon  
6 its passage and approval.

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