

**HOUSE****AMENDMENT NO. \_\_\_\_\_****Offered by \_\_\_\_\_****of \_\_\_\_\_**

1 AMEND House Committee Substitute for Senate Committee Substitute  
 2 for Senate Bill No. 808, Page 21, Section 94.832, Line 50, by  
 3 inserting after all of said line the following:

4 "169.270. Unless a different meaning is clearly required by  
 5 the context, the following words and phrases as used in sections  
 6 169.270 to 169.400 shall have the following meanings:

7 (1) "Accumulated contributions", the sum of all amounts  
 8 deducted from the compensation of a member or paid on behalf of  
 9 the member by the employer and credited to the member's  
 10 individual account together with interest thereon in the  
 11 employees' contribution fund. The board of trustees shall  
 12 determine the rate of interest allowed thereon as provided for in  
 13 section 169.295;

14 (2) "Actuarial equivalent", a benefit of equal value when  
 15 computed upon the basis of formulas and/or tables which have been  
 16 approved by the board of trustees. The formulas and tables in  
 17 effect at any time shall be set forth in a written document which  
 18 shall be maintained at the offices of the retirement system and  
 19 treated for all purposes as part of the documents governing the  
 20 retirement system established by section 169.280. The formulas  
 21 and tables may be changed from time to time if recommended by the  
 22 retirement system's actuary and approved by the board of  
 23 trustees;

24 (3) "Average final compensation", the highest average  
 25 annual compensation received for any four consecutive years of  
 26 service. In determining whether years of service are  
 27 "consecutive", only periods for which creditable service is  
 28 earned shall be considered, and all other periods shall be  
 29 disregarded;

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Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1           (4) "Beneficiary", any person designated by a member for a  
2 retirement allowance or other benefit as provided by sections  
3 169.270 to 169.400;

4           (5) "Board of education", the board of directors or  
5 corresponding board, by whatever name, having charge of the  
6 public schools of the school district in which the retirement  
7 system is established;

8           (6) "Board of trustees", the board provided for in section  
9 169.291 to administer the retirement system;

10          (7) "Break in service", an occurrence when a regular  
11 employee ceases to be a regular employee for any reason other  
12 than retirement (including termination of employment,  
13 resignation, or furlough but not including vacation, sick leave,  
14 excused absence or leave of absence granted by an employer) and  
15 such person does not again become a regular employee until after  
16 sixty consecutive calendar days have elapsed, or after fifteen  
17 consecutive school or work days have elapsed, whichever occurs  
18 later. A break in service also occurs when a regular employee  
19 retires under the retirement system established by section  
20 169.280 and does not again become a regular employee until after  
21 fifteen consecutive school or work days have elapsed. A "school  
22 or work day" is a day on which the employee's employer requires  
23 (or if the position no longer exists, would require, based on  
24 past practice) employees having the former employee's last job  
25 description to report to their place of employment for any  
26 reason;

27          (8) "Charter school", any charter school established  
28 pursuant to sections 160.400 to 160.420, RSMo, and located, at  
29 the time it is established, within the school district;

30          (9) "Compensation", the regular compensation as shown on  
31 the salary and wage schedules of the employer, including any  
32 amounts paid by the employer on a member's behalf pursuant to  
33 subdivision (5) of subsection 1 of section 169.350, but such term  
34 is not to include extra pay, overtime pay, consideration for  
35 entering into early retirement, or any other payments not  
36 included on salary and wage schedules. For any year beginning  
37 after December 31, 1988, the annual compensation of each member

1 taken into account under the retirement system shall not exceed  
2 the limitation set forth in Section 401(a)(17) of the Internal  
3 Revenue Code of 1986, as amended;

4 (10) "Creditable service", the amount of time that a  
5 regular employee is a member of the retirement system and makes  
6 contributions thereto in accordance with the provisions of  
7 sections 169.270 to 169.400;

8 (11) "Employee", any person who is classified by the school  
9 district, a charter school, the library district or the  
10 retirement system established by section 169.280 as an employee  
11 of such employer and is reported contemporaneously for federal  
12 and state tax purposes as an employee of such employer. A person  
13 is not considered to be an employee for purposes of such  
14 retirement system with respect to any service for which the  
15 person was not reported contemporaneously for federal and state  
16 tax purposes as an employee of such employer, regardless of  
17 whether the person is or may later be determined to be or to have  
18 been a common law employee of such employer, including but not  
19 limited to a person classified by the employer as independent  
20 contractors and persons employed by other entities which contract  
21 to provide staff and services to the employer. In no event shall  
22 a person reported for federal tax purposes as an employee of a  
23 private, for-profit entity be deemed to be an employee eligible  
24 to participate in the retirement system established by section  
25 169.280 with respect to such employment;

26 (12) "Employer", the school district, any charter school,  
27 the library district, or the retirement system established by  
28 section 169.280, or any combination thereof, as required by the  
29 context to identify the employer of any member, or, for purposes  
30 only of subsection 2 of section 169.324, of any retirant;

31 (13) "Employer's board", the board of education, the  
32 governing board of any charter school, the board of trustees of  
33 the library district, the board of trustees, or any combination  
34 thereof, as required by the context to identify the governing  
35 body of an employer;

36 (14) "Library district", any urban public library district  
37 created from or within a school district under the provisions of

1 section 182.703, RSMo;

2 (15) "Medical board", the board of physicians provided for  
3 in section 169.291;

4 (16) "Member", any person who is a regular employee after  
5 the retirement system has been established hereunder ("active  
6 member"), and any person who (i) was an active member, (ii) has  
7 vested retirement benefits hereunder, and (iii) is not receiving  
8 a retirement allowance hereunder ("inactive member");

9 (17) "Minimum normal retirement age", the earlier of the  
10 date the member attains the age of sixty or the date the member  
11 has a total of at least seventy-five credits, with each year of  
12 creditable service and each year of age equal to one credit, with  
13 both years of creditable service and years of age prorated for  
14 fractional years;

15 (18) "Prior service", service prior to the date the system  
16 becomes operative which is creditable in accordance with the  
17 provisions of section 169.311. Prior service in excess of  
18 thirty-eight years shall be considered thirty-eight years;

19 (19) "Regular employee", any employee who is assigned to an  
20 established position which requires service of not less than  
21 twenty-five hours per week, and not less than nine calendar  
22 months a year. Any regular employee who is subsequently assigned  
23 without break in service to a position demanding less service  
24 than is required of a regular employee shall continue the  
25 employee's status as a regular employee. Except as stated in the  
26 preceding sentence, a temporary, part-time, or furloughed  
27 employee is not a regular employee;

28 (20) "Retirant", a former member receiving a retirement  
29 allowance hereunder;

30 (21) "Retirement allowance", annuity payments to a retirant  
31 or to such beneficiary as is entitled to same;

32 (22) "School district", any school district in which a  
33 retirement system shall be established under section 169.280.

34 169.280. 1. In each school district of this state (i) that  
35 now has or may hereafter have a population of not more than seven  
36 hundred thousand and (ii) not less than seventy percent of whose  
37 population resides in a city other than a city not within a

1 county which now has or may hereafter have a population of four  
2 hundred thousand or more, according to the latest United States  
3 decennial census, there is hereby created and established a  
4 retirement system for the purpose of providing retirement  
5 allowances and related benefits for employees of the employer.  
6 Each such system shall be under the management of a board of  
7 trustees herein described, and shall be known as "The Public  
8 School Retirement System of (name of school district)", and by  
9 such name all of its business shall be transacted, all of its  
10 funds invested, and all of its cash and securities and other  
11 property held. When a school district first satisfies the  
12 foregoing population conditions, the board of education shall  
13 adopt a resolution certifying the same and take all actions  
14 necessary to cause the retirement system to begin operation on  
15 the thirtieth day of September following such certification.

16 2. In the event that (i) the population of a school  
17 district having a retirement system created hereunder should  
18 increase to a number greater than seven hundred thousand, or (ii)  
19 the population of the city in which not less than seventy percent  
20 of the population of the school district resides should decrease  
21 to a number less than four hundred thousand, or (iii) less than  
22 seventy percent of the population of the school district should  
23 reside in a city having a population of at least four hundred  
24 thousand, or (iv) the corporate organization of the school  
25 district shall lapse in accordance with subsections 1 and 4 of  
26 section 162.081, RSMo, the retirement system of such school  
27 district shall continue to be governed by and subject to sections  
28 169.270 to 169.400 and all other statutes, rules, and regulations  
29 applicable to retirement systems in school districts having a  
30 population of not more than seven hundred thousand and not less  
31 than seventy percent of whose population resides in a city, other  
32 than a city not within a county, of four hundred thousand or  
33 more, as if the population of such school district and city  
34 continued to be within such numerical limits.

35 3. The plan of retirement benefits administered by the  
36 retirement system established hereby is intended to be a  
37 qualified plan under the provisions of applicable federal law.

1 The board of trustees shall interpret the statutes governing the  
2 retirement system and shall administer the retirement system in  
3 all respects consistent with such intent. The assets of the  
4 retirement system shall be held in trust for the exclusive  
5 benefit of members and their beneficiaries and for defraying  
6 reasonable administrative expenses of the retirement system. No  
7 part of such assets shall, at any time prior to the satisfaction  
8 of all liabilities with respect to members and their  
9 beneficiaries, be used for or diverted to any purposes other than  
10 for such exclusive benefit or for any purpose inconsistent with  
11 the requirements of sections 169.270 to 169.400.

12 169.301. 1. Any active member who has completed five or  
13 more years of actual (not purchased) creditable service shall be  
14 entitled to a vested retirement benefit equal to the annual  
15 service retirement allowance provided in sections 169.270 to  
16 169.400 payable after attaining the minimum normal retirement age  
17 and calculated in accordance with the law in effect on the last  
18 date such person was a regular employee; provided, that such  
19 member does not withdraw such person's accumulated contributions  
20 pursuant to section 169.328 prior to attaining the minimum normal  
21 retirement age.

22 2. Any member who elected on October 13, 1961, or within  
23 thirty days thereafter, to continue to contribute and to receive  
24 benefits under sections 169.270 to 169.400 may continue to be a  
25 member of the retirement system under the terms and conditions of  
26 the plan in effect immediately prior to October 13, 1961, or may,  
27 upon written request to the board of trustees, transfer to the  
28 present plan, provided that the member pays into the system any  
29 additional contributions with interest the member would have  
30 credited to the member's account if such person had been a member  
31 of the current plan since its inception or, if the person's  
32 contributions and interest are in excess of what the person would  
33 have paid, such person will receive a refund of such excess. The  
34 board of trustees shall adopt appropriate rules and regulations  
35 governing the operation of the plan in effect immediately prior  
36 to October 13, 1961.

37 3. Should a retirant again become an active member, such

1 person's retirement allowance payments shall cease during such  
2 membership and shall be recalculated upon subsequent retirement  
3 to include any creditable service earned during the person's  
4 latest period of active membership in accordance with subsection  
5 2 of section 169.324.

6 4. In the event of the complete termination of the  
7 retirement system established by section 169.280 or the complete  
8 discontinuance of contributions to such retirement system, the  
9 rights of all members to benefits accrued to the date of such  
10 termination or discontinuance, to the extent then funded, shall  
11 be fully vested and nonforfeitable.

12 169.324. 1. The annual service retirement allowance  
13 payable pursuant to section 169.320 in equal monthly installments  
14 for life shall be the retirant's number of years of creditable  
15 service multiplied by one and three-fourths percent of the  
16 person's average final compensation, subject to a maximum of  
17 sixty percent of the person's average final compensation. For  
18 any member who retires as an active member on or after June 30,  
19 1999, the annual service retirement allowance payable pursuant to  
20 section 169.320 in equal monthly installments for life shall be  
21 the retirant's number of years of creditable service multiplied  
22 by two percent of the person's average final compensation,  
23 subject to a maximum of sixty percent of the person's average  
24 final compensation. Any member whose number of years of  
25 creditable service is greater than thirty-four and one-quarter on  
26 August 28, 1993, shall receive an annual service retirement  
27 allowance payable pursuant to section 169.320 in equal monthly  
28 installments for life equal to the retirant's number of years of  
29 creditable service as of August 28, 1993, multiplied by one and  
30 three-fourths percent of the person's average final compensation  
31 but shall not receive a greater annual service retirement  
32 allowance based on additional years of creditable service after  
33 August 28, 1993. Provided, however, that, effective January 1,  
34 1996, any retiree who retired on, before or after January 1,  
35 1996, with at least twenty years of creditable service shall  
36 receive at least three hundred dollars each month as a retirement  
37 allowance, or the actuarial equivalent thereof if the retiree

1 elected any of the options available under section 169.326.  
2 Provided, further, any retiree who retired with at least ten  
3 years of creditable service shall receive at least one hundred  
4 fifty dollars each month as a retirement allowance, plus fifteen  
5 dollars for each additional full year of creditable service  
6 greater than ten years but less than twenty years (or the  
7 actuarial equivalent thereof if the retiree elected any of the  
8 options available under section 169.326). Any beneficiary of a  
9 deceased retiree who retired with at least ten years of  
10 creditable service and elected one of the options available under  
11 section 169.326 shall also be entitled to the actuarial  
12 equivalent of the minimum benefit provided by this subsection,  
13 determined from the option chosen.

14 2. Except as otherwise provided in sections 169.331,  
15 169.580 and 169.585, payment of a retirant's retirement allowance  
16 will be suspended for any month for which such person receives  
17 remuneration from the person's employer or from any other  
18 employer in the retirement system established by section 169.280  
19 for the performance of services except any such person other than  
20 a person receiving a disability retirement allowance under  
21 section 169.322 may serve as a nonregular substitute, part-time  
22 or temporary employee for not more than six hundred hours in any  
23 school year without becoming a member and without having the  
24 person's retirement allowance discontinued, provided that through  
25 such substitute, part-time, or temporary employment, the person  
26 may earn no more than fifty percent of the annual salary or wages  
27 the person was last paid by the employer before the person  
28 retired and commenced receiving a retirement allowance, adjusted  
29 for inflation. If a person exceeds such hours limit or such  
30 compensation limit, payment of the person's retirement allowance  
31 shall be suspended for the month in which such limit was exceeded  
32 and each subsequent month in the school year for which the person  
33 receives remuneration from any employer in the retirement system.  
34 If a retirant is reemployed by any employer in any capacity,  
35 whether pursuant to this section, or section 169.331, 169.580, or  
36 169.585, or as a regular employee, the amount of such person's  
37 retirement allowance attributable to service prior to the



1 person's first retirement date shall not be changed by the  
2 reemployment. If the person again becomes an active member and  
3 earns additional creditable service, upon the person's second  
4 retirement the person's retirement allowance shall be the sum of:

5 (1) The retirement allowance the person was receiving at  
6 the time the person's retirement allowance was suspended,  
7 pursuant to the payment option elected as of the first retirement  
8 date, plus the amount of any increase in such retirement  
9 allowance the person would have received pursuant to subsection 3  
10 of this section had payments not been suspended during the  
11 person's reemployment; and

12 (2) An additional retirement allowance computed using the  
13 benefit formula in effect on the person's second retirement date,  
14 the person's creditable service following reemployment, and the  
15 person's average final annual compensation as of the second  
16 retirement date. The sum calculated pursuant to this subsection  
17 shall not exceed the greater of sixty percent of the person's  
18 average final compensation as of the second retirement date or  
19 the amount determined pursuant to subdivision (1) of this  
20 subsection. Compensation earned prior to the person's first  
21 retirement date shall be considered in determining the person's  
22 average final compensation as of the second retirement date if  
23 such compensation would otherwise be included in determining the  
24 person's average final compensation.

25 3. The board of trustees shall determine annually whether  
26 the investment return on funds of the system can provide for an  
27 increase in benefits for retirants eligible for such increase. A  
28 retirant shall and will be eligible for an increase awarded  
29 pursuant to this section as of the second January following the  
30 date the retirant commenced receiving retirement benefits. Any  
31 such increase shall also apply to any monthly joint and survivor  
32 retirement allowance payable to such retirant's beneficiaries,  
33 regardless of age. The board shall make such determination as  
34 follows:

35 (1) After determination by the actuary of the investment  
36 return for the preceding year as of December thirty-first (the  
37 "valuation year"), the actuary shall recommend to the board of

1 trustees what portion of the investment return is available to  
2 provide such benefits increase, if any, and shall recommend the  
3 amount of such benefits increase, if any, to be implemented as of  
4 the first day of the thirteenth month following the end of the  
5 valuation year, and the first payable on or about the first day  
6 of the fourteenth month following the end of the valuation year.  
7 The actuary shall make such recommendations so as not to affect  
8 the financial soundness of the retirement system, recognizing the  
9 following safeguards:

10 (a) The retirement system's funded ratio as of January  
11 first of the year preceding the year of a proposed increase shall  
12 be at least one hundred percent after adjusting for the effect of  
13 the proposed increase. The funded ratio is the ratio of assets  
14 to the pension benefit obligation;

15 (b) The actuarially required contribution rate, after  
16 adjusting for the effect of the proposed increase, may not exceed  
17 the statutory contribution rate;

18 (c) The actuary shall certify to the board of trustees that  
19 the proposed increase will not impair the actuarial soundness of  
20 the retirement system;

21 (d) A benefit increase, under this section, once awarded,  
22 cannot be reduced in succeeding years;

23 (2) The board of trustees shall review the actuary's  
24 recommendation and report and shall, in their discretion,  
25 determine if any increase is prudent and, if so, shall determine  
26 the amount of increase to be awarded.

27 4. This section does not guarantee an annual increase to  
28 any retirant.

29 5. If an inactive member becomes an active member after  
30 June 30, 2001, and after a break in service, unless the person  
31 earns at least four additional years of creditable service  
32 without another break in service, upon retirement the person's  
33 retirement allowance shall be calculated separately for each  
34 separate period of service ending in a break in service. The  
35 retirement allowance shall be the sum of the separate retirement  
36 allowances computed for each such period of service using the  
37 benefit formula in effect, the person's average final

1 compensation as of the last day of such period of service and the  
2 creditable service the person earned during such period of  
3 service; provided, however, if the person earns at least four  
4 additional years of creditable service without another break in  
5 service, all of the person's creditable service prior to and  
6 including such service shall be aggregated and, upon retirement,  
7 the retirement allowance shall be computed using the benefit  
8 formula in effect and the person's average final compensation as  
9 of the last day of such period of four or more years and all of  
10 the creditable service the person earned prior to and during such  
11 period.

12 6. Notwithstanding anything contained in this section to  
13 the contrary, the amount of the annual service retirement  
14 allowance payable to any retirant pursuant to the provisions of  
15 sections 169.270 to 169.400, including any adjustments made  
16 pursuant to subsection 3 of this section, shall at all times  
17 comply with the provisions and limitations of Section 415 of the  
18 Internal Revenue Code of 1986, as amended, and the regulations  
19 thereunder, the terms of which are specifically incorporated  
20 herein by reference.

21 7. All retirement systems established by the laws of the  
22 state of Missouri shall develop a procurement action plan for  
23 utilization of minority and women money managers, brokers and  
24 investment counselors. Such retirement systems shall report  
25 their progress annually to the joint committee on public employee  
26 retirement and the governor's minority advocacy commission.

27 169.328. 1. Should a member cease to be a regular  
28 employee, except by retirement, the member, if living, shall be  
29 paid on demand, made by written notice to the board of trustees,  
30 the amount of the person's accumulated contributions (with  
31 interest as determined by the board of trustees as provided in  
32 sections 169.270 to 169.400) standing to the credit of the  
33 person's individual account in the employees' contribution fund.  
34 The accumulated contributions with interest shall not be paid to  
35 a member so long as the person remains a regular employee or  
36 before the member incurs a break in service. If the member dies  
37 before retirement such accumulated contributions (with interest)

1 shall be paid to the member's estate or designated beneficiary  
2 unless the provisions of subsection 3 of section 169.326 apply.

3 2. If a former unvested member's accumulated contributions  
4 have not been withdrawn four years after the person has ceased to  
5 be a member (other than by reason of death or retirement), the  
6 board of trustees shall pay the same to such former member within  
7 a reasonable time after the expiration of such four-year period.

8 3. If, on account of undeliverability, improper mailing or  
9 forwarding address, or other similar problem, the board of  
10 trustees is unable to refund the accumulated contributions of a  
11 former unvested member or to commence payment of retirement  
12 benefits within four years after the end of the calendar year in  
13 which such former member ceased to be a regular employee, the  
14 board may transfer the accumulated contributions to the general  
15 reserve fund. If, thereafter, written application is made to the  
16 board of trustees for such refund or benefits, the board shall  
17 cause the same to be paid from the general reserve fund, but no  
18 interest shall be accrued after the end of the fourth year  
19 following the end of the calendar year in which such former  
20 member ceased to be a regular employee.

21 4. In its discretion the board of trustees may approve  
22 extensions of any time periods in this section on account of a  
23 former member's military or naval service, academic study or  
24 illness.

25 5. Any member or beneficiary who is entitled to receive a  
26 distribution that is an eligible rollover distribution, as  
27 defined in Section 402(c)(4) of the Internal Revenue Code of  
28 1986, as amended, may elect to have that distribution transferred  
29 directly to another eligible retirement plan, as defined in  
30 Section 402(c)(8) of the Internal Revenue Code of 1986, as  
31 amended, designated by the member or beneficiary in accordance  
32 with procedures established by the board of trustees. An  
33 eligible rollover distribution shall include a distribution to a  
34 nonspouse beneficiary that is treated as an eligible rollover  
35 distribution under Section 402(c)(11) of the Internal Revenue  
36 Code of 1986, as amended. All such transfers shall be made in  
37 compliance with the requirements of Section 401(a)(31) of the

1   Internal Revenue Code of 1986, as amended, and regulations  
2   thereunder."; and

3         Further amend said title, enacting clause and intersectional  
4   references accordingly.