

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 125, Page 28, Section 168.221, Line 113, by inserting after all of said line the
3 following:

4 "169.030. 1. The funds required for the operation of the retirement system created by
5 sections 169.010 to 169.141 shall come from contributions made in equal amounts by members of
6 the system and their employers, except as provided for certain members and employers by section
7 104.342, and from such interest as may be derived from the investment of any part of such
8 contributions. All contributions shall be transmitted to the board of trustees by employers in such
9 manner and at such time as the board by rule shall require.

10 2. For each school year following the date on which the system becomes operative, each and
11 every employer of one or more persons who are members of the system shall transmit to the board of
12 trustees, in the manner and accompanied by such supporting data as the board shall prescribe, twice
13 the amount that is deductible from the pay of such employee or employees during the school year.
14 Failure or refusal to transmit such amount as required shall render the person or persons responsible
15 therefor individually liable for twice the amount so withheld. Suits for the recovery of amounts for
16 which individuals are thus rendered liable shall be instituted and prosecuted by the board of trustees
17 in the name of the retirement system. In addition to such civil penalty, and not in lieu thereof, any
18 person or persons made responsible for the payment of contributions who shall willfully and
19 knowingly fail or refuse to transmit such contributions or any part thereof to the board of trustees
20 shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of
21 not less than twenty-five dollars and not more than two hundred dollars, and each day such person or
22 persons shall so fail or refuse to transmit such contributions shall be deemed a separate offense.

23 3. The contributions of members of the retirement system shall be collected by their
24 employers through appropriate deductions from paychecks, except as provided for certain members
25 and employers by section 104.342. The total amount deducted from the paychecks of members
26 during any school year shall equal such a percent of their salary rates as may be required by the
27 contribution rate then in effect. Contributions transmitted to the retirement system before February
28 20, 1996, based on salary rates which either included or excluded employer-paid medical benefits for
29 members, shall be deemed to have been in compliance with this section. The retirement system shall
30 not refund or adjust contributions or adjust benefit determinations with respect to any period before
31 February 20, 1996, solely because of the treatment of employer-paid medical benefits for members.
32 Effective December 31, 1995, compensation in excess of the limitations set forth in Section
33 401(a)(17) of Title 26 of the United States Code shall be disregarded for purposes of determining
34 contributions under this section and calculating benefits paid by the public school retirement system
35 of Missouri. The limitation on compensation for eligible employees shall not be less than the
36 amount which was allowed to be taken into account under the system as in effect on July 1, 1993.
37 For this purpose, an "eligible employee" is an individual who was a member of the system before

Action Taken _____ Date _____

1 July 1, 1996.

2 4. The board of trustees shall fix and certify to the employers the level rate of contribution
3 subject to the following:

4 (1) The level rate of contribution for a fiscal year shall not exceed the level rate of
5 contribution for the prior fiscal year by more than one-half percent;

6 (2) The board shall fix and certify to the employers the rate of contribution for a fiscal year
7 no later than six months prior to the date such rate is to be effective;

8 (3) The board shall fix and certify to the employers the rate of contribution for a fiscal year
9 based on an actuarial valuation of the system as of a date not earlier than the last day of the second
10 prior fiscal year. Such actuarial valuation of the system shall be performed using processes and
11 actuarial assumptions that are in accordance with actuarial standards of practice in effect at the time
12 the valuation is performed, as promulgated by the actuarial standards board or its successor;
13 provided that such actuarial valuation shall be based on the entry age normal actuarial cost method
14 and an asset valuation method based on the market value of system assets that may provide for
15 smoothing of investment gains and losses, and, further, that the level rate of contribution shall be the
16 total of the normal cost rate and a rate which shall amortize the unfunded actuarial accrued liability
17 over a period that shall not exceed thirty years from the date of the valuation, subject to the
18 limitations of this subsection; and

19 (4) Not less than once every ten years the board shall have an actuary, other than the actuary
20 performing the actuarial valuation pursuant to this section, review such actuarial valuation and
21 perform an additional valuation of the system.

22 5. Regardless of the provisions of any law governing compensation and contracts, every
23 teacher or employee shall be deemed to consent and agree to the deductions provided herein.
24 Payment of salary or compensation less such deduction shall be a full and complete discharge of all
25 salary or compensation claims and demands during the period covered by such payment, except as to
26 the benefits provided under sections 169.010 to 169.141.

27 6. Notwithstanding any other provision of sections 169.010 to 169.141 to the contrary, no
28 legislation shall be enacted after July 1, 2003, that increases benefits provided to members or retirees
29 of the public school retirement system of Missouri above that which may be funded using a rate of
30 contribution of [ten] eight and one-half percent as determined using an actuarial valuation as
31 provided in subsection 4 of this section[; provided that, notwithstanding the provision of this
32 subsection, legislation may be enacted after July 1, 2003, that provides for an extension of time
33 within which a member may make an election pursuant to subdivisions (3) to (8) of subsection 1 of
34 section 169.070]."; and

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36 Further amend said bill by amending the title, enacting clause, and intersectional references
37 accordingly.
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