

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 283, Page 13, Section 86.320, Line 22, by
2 inserting the following after all of said line:

3
4 "169.324. 1. The annual service retirement allowance payable pursuant to section 169.320
5 shall be the retirant's number of years of creditable service multiplied by a percentage of the retirant's
6 average final compensation, determined as follows:

7 (1) A retirant whose last employment as a regular employee ended prior to June 30, 1999,
8 shall receive an annual service retirement allowance payable pursuant to section 169.320 in equal
9 monthly installments for life equal to the retirant's number of years of creditable service multiplied
10 by one and three-fourths percent of the person's average final compensation, subject to a maximum
11 of sixty percent of the person's average final compensation;

12 (2) A retirant whose number of years of creditable service is greater than thirty-four and
13 one-quarter on August 28, 1993, shall receive an annual service retirement allowance payable
14 pursuant to section 169.320 in equal monthly installments for life equal to the retirant's number of
15 years of creditable service as of August 28, 1993, multiplied by one and three-fourths percent of the
16 person's average final compensation but shall not receive a greater annual service retirement
17 allowance based on additional years of creditable service after August 28, 1993;

18 (3) A retirant who was an active member of the retirement system at any time on or after
19 June 30, 1999, and who either retires before January 1, 2014, or is a member of the retirement
20 system on December 31, 2013, and remains a member continuously to retirement shall receive an
21 annual service retirement allowance payable pursuant to section 169.320 in equal monthly
22 installments for life equal to the retirant's number of years of creditable service multiplied by two
23 percent of the person's average final compensation, subject to a maximum of sixty percent of the
24 person's final compensation;

25 (4) A retirant who becomes a member of the retirement system on or after January 1, 2014,
26 including any retirant who was a member of the retirement system before January 1, 2014, but
27 ceased to be a member for any reason other than retirement, shall receive an annual service
28 retirement allowance payable pursuant to section 169.320 in equal monthly installments for life
29 equal to the retirant's number of years of creditable service multiplied by one and three-fourths
30 percent of the person's average final compensation, subject to a maximum of sixty percent of the
31 person's average final compensation;

Action Taken _____ Date _____

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1 (5) Notwithstanding the provisions of subdivisions (1) to (4) of this subsection, effective
2 January 1, 1996, any retirant who retired on, before or after January 1, 1996, with at least twenty
3 years of creditable service shall receive at least three hundred dollars each month as a retirement
4 allowance, or the actuarial equivalent thereof if the retirant elected any of the options available under
5 section 169.326. Any retirant who retired with at least ten years of creditable service shall receive at
6 least one hundred fifty dollars each month as a retirement allowance, plus fifteen dollars for each
7 additional full year of creditable service greater than ten years but less than twenty years (or the
8 actuarial equivalent thereof if the retirant elected any of the options available under section 169.326).
9 Any beneficiary of a deceased retirant who retired with at least ten years of creditable service and
10 elected one of the options available under section 169.326 shall also be entitled to the actuarial
11 equivalent of the minimum benefit provided by this subsection, determined from the option chosen.

12 2. Except as otherwise provided in sections 169.331, 169.580 and 169.585, payment of a
13 retirant's retirement allowance will be suspended for any month for which such person receives
14 remuneration from the person's employer or from any other employer in the retirement system
15 established by section 169.280 for the performance of services except any such person other than a
16 person receiving a disability retirement allowance under section 169.322 may serve as a nonregular
17 substitute, part-time or temporary employee for not more than six hundred hours in any school year
18 without becoming a member and without having the person's retirement allowance discontinued,
19 provided that through such substitute, part-time, or temporary employment, the person may earn no
20 more than fifty percent of the annual salary or wages the person was last paid by the employer before
21 the person retired and commenced receiving a retirement allowance, adjusted for inflation. If a
22 person exceeds such hours limit or such compensation limit, payment of the person's retirement
23 allowance shall be suspended for the month in which such limit was exceeded and each subsequent
24 month in the school year for which the person receives remuneration from any employer in the
25 retirement system. In addition to the conditions set forth above, this subsection shall apply to any
26 person retired and currently receiving a retirement allowance under sections 169.270 to 169.400,
27 other than for disability, who is employed by a third party or is performing work as an independent
28 contractor if such person is performing work in a district included in the retirement system as a
29 temporary or long-term substitute teacher or in any other position that would normally require that
30 person to be duly certificated under the laws governing the certification of teachers in Missouri if
31 such person was employed by the district. The retirement system may require the district, the
32 third-party employer, the independent contractor, and the retiree subject to this subsection to provide
33 documentation showing compliance with this subsection. If such documentation is not provided, the
34 retirement system may deem the retiree to have exceeded the limitations provided in this subsection.
35 If a retirant is reemployed by any employer in any capacity, whether pursuant to this section, or
36 section 169.331, 169.580, or 169.585, or as a regular employee, the amount of such person's
37 retirement allowance attributable to service prior to the person's first retirement date shall not be
38 changed by the reemployment. If the person again becomes an active member and earns additional
39 creditable service, upon the person's second retirement the person's retirement allowance shall be the
40 sum of:

41 (1) The retirement allowance the person was receiving at the time the person's retirement

1 allowance was suspended, pursuant to the payment option elected as of the first retirement date, plus
2 the amount of any increase in such retirement allowance the person would have received pursuant to
3 subsection 3 of this section had payments not been suspended during the person's reemployment; and

4 (2) An additional retirement allowance computed using the benefit formula in effect on the
5 person's second retirement date, the person's creditable service following reemployment, and the
6 person's average final annual compensation as of the second retirement date. The sum calculated
7 pursuant to this subsection shall not exceed the greater of sixty percent of the person's average final
8 compensation as of the second retirement date or the amount determined pursuant to subdivision (1)
9 of this subsection. Compensation earned prior to the person's first retirement date shall be
10 considered in determining the person's average final compensation as of the second retirement date if
11 such compensation would otherwise be included in determining the person's average final
12 compensation.

13 3. The board of trustees shall determine annually whether the investment return on funds of
14 the system can provide for an increase in benefits for retirants eligible for such increase. A retirant
15 shall and will be eligible for an increase awarded pursuant to this section as of the second January
16 following the date the retirant commenced receiving retirement benefits. Any such increase shall
17 also apply to any monthly joint and survivor retirement allowance payable to such retirant's
18 beneficiaries, regardless of age. The board shall make such determination as follows:

19 (1) After determination by the actuary of the investment return for the preceding year as of
20 December thirty-first (the "valuation year"), the actuary shall recommend to the board of trustees
21 what portion of the investment return is available to provide such benefits increase, if any, and shall
22 recommend the amount of such benefits increase, if any, to be implemented as of the first day of the
23 thirteenth month following the end of the valuation year, and first payable on or about the first day of
24 the fourteenth month following the end of the valuation year. The actuary shall make such
25 recommendations so as not to affect the financial soundness of the retirement system, recognizing
26 the following safeguards:

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

30 (b) The actuarially required contribution rate, after adjusting for the effect of the proposed
31 increase, may not exceed the then applicable employer and member contribution rate as determined
32 under subsection 4 of section 169.350;

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

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

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

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

41 5. If an inactive member becomes an active member after June 30, 2001, and after a break in

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

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

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

22 169.560. Any person retired and currently receiving a retirement allowance pursuant to
23 sections 169.010 to 169.141, other than for disability, may be employed in any capacity in a district
24 included in the retirement system created by those sections on either a part-time or
25 temporary-substitute basis not to exceed a total of five hundred fifty hours in any one school year,
26 and through such employment may earn up to fifty percent of the annual compensation payable
27 under the [employing] district's salary schedule for the position or positions filled by the retiree,
28 given such person's level of experience and education, without a discontinuance of the person's
29 retirement allowance. If the [employing] school district does not utilize a salary schedule, or if the
30 position in question is not subject to the [employing] district's salary schedule, a retiree employed in
31 accordance with the provisions of this section may earn up to fifty percent of the annual
32 compensation paid to the person or persons who last held such position or positions. If the position
33 or positions did not previously exist, the compensation limit shall be determined in accordance with
34 rules duly adopted by the board of trustees of the retirement system; provided that, it shall not exceed
35 fifty percent of the annual compensation payable for the position in the [employing] school district
36 that is most comparable to the position filled by the retiree. In any case where a retiree fills more
37 than one position during the school year, the fifty-percent limit on permitted earning shall be based
38 solely on the annual compensation of the highest paid position occupied by the retiree for at least
39 one-fifth of the total hours worked during the year. Such a person shall not contribute to the
40 retirement system or to the public education employee retirement system established by sections
41 169.600 to 169.715 because of earnings during such period of employment. If such a person is

1 employed in any capacity by such a district [on a regular, full-time basis,] in excess of the limitations
2 set forth in this section, the person shall not be eligible to receive the person's retirement allowance
3 for any month during which the person is so employed. In addition, such person [and] shall
4 contribute to the retirement system, if the person satisfies the retirement system's membership
5 eligibility requirements. In addition to the conditions set forth above, this section shall apply to any
6 person retired and currently receiving a retirement allowance under sections 169.010 to 169.141,
7 other than for disability, who is employed by a third party or is performing work as an independent
8 contractor if such person is performing work in a district included in the retirement system as a
9 temporary or long-term substitute teacher or in any other position that would normally require that
10 person to be duly certificated under the laws governing the certification of teachers in Missouri if
11 such person was employed by the district. The retirement system may require the district, the
12 third-party employer, the independent contractor, and the retiree subject to this section to provide
13 documentation showing compliance with this section. If such documentation is not provided, the
14 retirement system may deem the retiree to have exceeded the limitations provided in this section.";
15 and

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