

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 711, Page 12, Section 168.520, Line 22,
2 by inserting after all of said line the following:

3
4 "169.460. 1. Any member may retire and receive a normal pension upon his or her written
5 application to the board of trustees setting forth at what time not less than fifteen days nor more than
6 one hundred eighty days subsequent to the execution and filing of such application he or she desires
7 to be retired; provided, that the member at the time so specified for his or her retirement either (a)
8 shall have attained age sixty-five or (b) shall have attained an age which when added to the number
9 of years of credited service of such member shall total a sum not less than [eighty-five] eighty. For
10 purposes of computing any member's age under this section, the board shall, if necessary, add to his
11 or her actual age any accumulated and unused days of sick leave included in his or her credited
12 service.

13 2. Upon retirement [pursuant to] under subsection 1 of this section, a member shall receive
14 an annual pension payable in monthly installments in the following manner:

15 (1) A member retiring prior to January 1, 2017, shall receive an annual pension payable in
16 monthly installments equal to his or her number of years of credited service multiplied by two
17 percent of his or her average final compensation subject to a maximum pension of sixty percent of
18 his or her average final compensation[.];

19 (2) A member hired for the first time on or after January 1, 2017, shall receive an annual
20 pension payable in monthly installments equal to his or her number of years of credited service
21 multiplied by one and three-fourths percent of such member's average final compensation subject to
22 a maximum pension of sixty percent of the member's average final compensation; or

23 (3) A member who earned credited service prior to January 1, 2017, and who earned
24 credited service on or after January 1, 2017, shall receive an annual pension payable in monthly
25 installments. The annual pension payable in monthly installments shall be the sum of the following
26 partial monthly installments, subject to a maximum pension of sixty percent of the member's
27 average final compensation:

28 (a) For credited service earned prior to January 1, 2017, the member's partial monthly
29 installment shall be equal to his or her number of years of credited service multiplied by two percent
30 of the member's average final compensation; and

31 (b) For credited service earned on or after January 1, 2017, the partial monthly installment
32 shall be equal to his or her number of years of credited service multiplied by one and three-fourths
33 percent of such member's average final compensation.

34 3. A member who is not eligible for normal pension pursuant to subsection 1 of this section
35 but who has attained age sixty and has five or more years of credited service may make application
36 in the same manner as pursuant to subsection 1 of this section for an early pension. His or her early

Standing Action Taken _____ Date _____

Select Action Taken _____ Date _____

1 pension shall be computed pursuant to subsection 2 of this section, but shall be reduced by five-
2 ninths of one percent for each month such member's early retirement date precedes the earliest date
3 he or she could have received a normal pension pursuant to subsection 1 of this section had his or
4 her service continued.

5 4. Upon the written application of the member or of the employing board, any active
6 member who has five or more years of credited service with such board and does not qualify for a
7 normal pension pursuant to subsection 1 of this section may be retired by the board of trustees, not
8 less than fifteen days and not more than one hundred eighty days next following the date of filing
9 such application, and receive a disability pension, provided, that the medical board after a medical
10 examination of such member or such member's medical records shall certify that such member is
11 unable to further perform his or her duties due to mental or physical incapacity, and that such
12 incapacity is likely to be permanent and that such member should be retired; or, provided the
13 member furnishes evidence of the receipt of disability benefits under the federal Old Age, Survivors
14 and Disability Insurance System of the Social Security Act. The determination of the board of
15 trustees in the matter shall be final and conclusive. A member being retired pursuant to this
16 subsection who has accumulated unused vacation and sick leave may elect to have the
17 commencement of his or her disability pension deferred for more than one hundred eighty days
18 during the period he or she is entitled to vacation and sick pay.

19 5. Upon retirement for disability, a member shall receive a disability pension until such time
20 as he or she meets the requirements for a normal pension pursuant to subsection 1 of this section, at
21 which time his or her disability pension will be deemed to be a normal pension. The member's
22 disability pension shall be the larger of:

23 (1) A normal pension based on his or her credited service to the date of his or her retirement
24 for disability and calculated as if he or she were age sixty-five; or

25 (2) One-fourth of his or her average final compensation; except that such benefit shall not
26 exceed the normal pension which he or she would have received upon retirement if his or her
27 service had continued and he or she had satisfied the eligibility requirements of subsection 1 of this
28 section and had his or her final average compensation been unchanged.

29 6. Once each year during the first five years following retirement for disability and once in
30 every three-year period thereafter while receiving a disability pension, the board of trustees may,
31 and shall, require any member receiving a disability pension who has not yet become eligible for a
32 normal pension pursuant to subsection 1 of this section to undergo a medical examination at a place
33 designated by the medical board or by a physician or physicians designated by such board. If any
34 such member receiving a disability pension refuses to submit to such medical examination, his or
35 her benefit may be discontinued until his or her withdrawal of such refusal, and if his or her refusal
36 continues for one year, all rights in and to his or her pension may be revoked by the board of
37 trustees.

38 7. If the board of trustees finds that any member receiving a disability pension is engaged in
39 or is able to engage in a gainful occupation paying more than the difference between his or her
40 disability pension plus benefits, if any, to which he or she and his or her family are eligible under
41 the federal Old Age, Survivors and Disability Insurance System of the Social Security Act and the
42 current rate of monthly compensation for the position he or she held at retirement, then the amount
43 of his or her disability pension shall be reduced to an amount which together with the amount
44 earnable by him or her shall equal such current rate of monthly compensation. The decisions of the
45 board of trustees in regard to such modification of disability benefits shall be final and conclusive.

46 8. If any member receiving a disability pension is restored to service as an employee, he or
47 she shall again become an active member of the retirement system and contribute thereunder. His or
48 her credited service at the time of his or her retirement for disability shall be restored and the excess

1 of his or her accumulated contributions at his or her retirement for disability over the total disability
2 pension payments which he or she received shall be credited to his or her account.

3 9. If a member with fewer than five years credited service ceases to be an employee, except
4 by death, he or she shall be paid the amount of his or her accumulated contributions in accordance
5 with applicable provisions of the Internal Revenue Code.

6 10. If a member with five years or more credited service ceases to be an employee, except
7 by death or retirement, he or she shall be paid on demand the amount of his or her accumulated
8 contributions, or he or she may leave his or her accumulated contributions with the retirement
9 system and be an inactive member and claim a retirement benefit at any time after he or she reaches
10 the minimum age for retirement, except that if such a member's accumulated contributions do not
11 exceed the involuntary distribution limits under provisions of the Internal Revenue Code, the
12 member must elect to become an inactive member within thirty days of employment separation to
13 avoid application of the involuntary distribution provisions of the Internal Revenue Code. When an
14 inactive member presents his or her valid claim to the board of trustees, he or she shall be granted a
15 benefit at such time and for such amount as is available pursuant to subsection 2 or 3 of this section
16 in accordance with the provisions of law in effect at the time his or her active membership ceased.
17 The accumulated contributions of an inactive member may be withdrawn at any time upon ninety
18 days' notice or such shorter notice as is approved by the board of trustees. If an inactive member
19 dies before retirement, his or her accumulated contributions shall be paid to his or her designated
20 beneficiary, if living, otherwise to the estate of the member. A member's accumulated contributions
21 shall not be paid to him or her so long as he or she remains in service as an employee.

22 11. Any member upon retirement shall receive his or her pension payable throughout life
23 subject to the provision that if his or her death occurs before he or she has received total benefits at
24 least as large as his or her accumulated contributions at retirement, the difference shall be paid in
25 one sum to his or her designated beneficiary, if living, otherwise to the estate of the retired member.

26 12. Prior to the date of retirement pursuant to subsection 2, 3, or 4 of this section, a member
27 may elect to receive the actuarial equivalent of his or her pension in a lesser amount, payable
28 throughout life under one of the following options with the provision that:

29 Option 1. Upon his or her death, his or her pension shall be continued throughout the life of
30 and paid to his or her beneficiary, or

31 Option 2. Upon his or her death, one-half of his or her pension shall be continued
32 throughout the life of and paid to his or her beneficiary, or

33 Option 3. Upon his or her death, his or her pension shall be continued throughout the life of
34 and paid to his or her beneficiary, provided that in the event his or her designated beneficiary
35 predeceases him or her, then his or her pension shall be adjusted effective the first day of the month
36 following the month in which his or her designated beneficiary died to the amount determined
37 pursuant to subsection 2 or 3 of this section at the time of his or her retirement, or

38 Option 4. Upon his or her death, one-half of his or her pension shall be continued
39 throughout the life of and paid to his or her beneficiary, provided that in the event his or her
40 designated beneficiary predeceases him or her, then his or her pension shall be adjusted effective the
41 first day of the month following the month in which his or her designated beneficiary died to the
42 amount determined pursuant to subsection 2 or 3 of this section at the time of his or her retirement.

43 Option 5. Prior to age sixty-two the member will receive an increased pension, where the
44 total pension prior to age sixty-two is approximately equal to the pension after age sixty-two plus
45 the member's estimated federal Social Security benefit, provided that the reduced pension after age
46 sixty-two is not less than one-half the pension the member could have received had no option been
47 elected. A member may elect a combination of Option 1 and Option 5, or Option 2 and Option 5.
48 The survivor benefits payable to a beneficiary, other than the spouse of the retired member, under

1 any of the foregoing options shall in no event exceed fifty percent of the actuarial equivalent of the
2 pension determined pursuant to subsection 2 or 3 of this section at the time of retirement.

3 13. If an option has been elected pursuant to subsection 12 of this section, and both the
4 retired member and beneficiary die before receiving total benefits as large as the member's
5 accumulated contributions at retirement, the difference shall be paid to the designated beneficiary of
6 the person last entitled to benefits, if living, otherwise to the estate of the person last entitled to
7 benefits.

8 14. If an active member dies while an employee and with five or more years of credited
9 service and a dependent of the member is designated as beneficiary to receive his or her
10 accumulated contributions, such beneficiary may, in lieu thereof, request that benefits be paid under
11 option 1, subsection 12 of this section, as if the member had attained age sixty, if the member was
12 less than sixty years of age at the time of his or her death, and had retired under such option as of
13 the date of death, provided that under the same circumstances a member may provide by written
14 designation that benefits must be paid pursuant to option 1 to such beneficiary. In addition to
15 benefits received under option 1, subsection 12 of this section, a surviving spouse receiving benefits
16 under this subsection shall receive sixty dollars per month for each unmarried dependent child of the
17 deceased member who is under twenty-two years of age and is in the care of the surviving spouse;
18 provided, that if there are more than three such unmarried dependent children one hundred eighty
19 dollars shall be divided equally among them. A "dependent beneficiary" for the purpose of this
20 subsection only shall mean either the surviving spouse or a person who at the time of the death of
21 the member was receiving at least one-half of his or her support from the member, and the
22 determination of the board of trustees as to whether a person is a dependent shall be final.

23 15. In lieu of accepting the payment of the accumulated contributions of a member who dies
24 after having at least eighteen months of credited service and while an employee, an eligible
25 beneficiary or, if no surviving eligible beneficiary, the unmarried dependent children of the member
26 under twenty-two years of age may elect to receive the benefits pursuant to subdivision (1), (2), (3),
27 or (4) of this subsection. An "eligible beneficiary" is the surviving spouse, unmarried dependent
28 children under twenty-two years of age or dependent parents of the member, if designated as
29 beneficiary. A "dependent" is one receiving at least one-half of his or her support from the member
30 at his or her death.

31 (1) A surviving spouse who is sixty-two years of age at the death of the member or upon
32 becoming such age thereafter, and who was married to the member at least one year, may receive
33 sixty dollars per month for life. A spouse may receive this benefit after receiving benefits pursuant
34 to subdivision (2) of this subsection;

35 (2) A surviving spouse who has in his or her care an unmarried dependent child of the
36 deceased member under twenty-two years of age may receive sixty dollars per month plus sixty
37 dollars per month for each child under twenty-two years of age but not more than a total of two
38 hundred forty dollars per month;

39 (3) If no benefits are payable pursuant to subdivision (2) of this subsection, unmarried
40 dependent children under the age of twenty-two may receive sixty dollars each per month; provided
41 that if there are more than three such children one hundred eighty dollars per month shall be divided
42 equally among them;

43 (4) A dependent parent upon attaining sixty-two years of age may receive sixty dollars per
44 month as long as not remarried provided no benefits are payable at any time pursuant to subdivision
45 (1), (2), or (3) of this subsection. If there are two dependent parents entitled to benefits, sixty
46 dollars per month shall be divided equally between them;

47 (5) If the benefits pursuant to this subsection are elected and the total amount paid is less
48 than an amount equal to the accumulated contributions of a member at his or her death, the

1 difference shall be payable to the beneficiary or the estate of the beneficiary last entitled to benefits.

2 16. If a member receiving a normal pension again becomes an active member, his or her
 3 pension benefit payments shall cease during such membership and shall be resumed upon
 4 subsequent retirement together with such pension benefit as shall accrue by reason of his or her
 5 latest period of membership. Except as otherwise provided in section 105.269, a retired member
 6 may not receive a pension benefit for any month for which he or she receives compensation from an
 7 employing board, except he or she may serve as a part-time or temporary employee for not to
 8 exceed sixty days in any calendar year without becoming a member and without having his or her
 9 pension benefit discontinued. A retired member may also serve as a member of the board of
 10 trustees and receive any reimbursement for expenses allowed him or her because of such service
 11 without becoming an active member and without having his or her pension benefit discontinued or
 12 reduced.

13 17. Upon approval of the board of trustees, any member may make contributions in addition
 14 to those required. Any additional contributions shall be accumulated at interest and paid in addition
 15 to the benefits provided hereunder. The board of trustees shall make such rules and regulations as it
 16 deems appropriate in connection with additional contributions including limitations on amounts of
 17 contributions and methods of payment of benefits.

18 18. Notwithstanding any other provisions of this section, any member retiring on or after
 19 age sixty-five who has five or more years of credited service shall be entitled to an annual pension
 20 of the lesser of (a) an amount equal to his or her number of years of credited service multiplied by
 21 one hundred twenty dollars, or (b) one thousand eight hundred dollars. Upon the death of such
 22 member, any benefits payable to the beneficiary of such member shall be computed as otherwise
 23 provided.

24 169.490. 1. All the assets of the retirement system shall be held as one fund.

25 [1.] 2. (1) For any member hired before January 1, 2017, the employing board shall cause
 26 to be deducted from the compensation of each member at every payroll period five percent of his or
 27 her compensation[, and].

28 (2) Beginning January 1, 2017, the percentage in subdivision (1) of this subsection shall
 29 increase one-half of one percent annually until such time as the percentage equals nine percent.

30 (3) For any member hired for the first time on or after January 1, 2017, the employing
 31 board shall cause to be deducted from the compensation of each member at every payroll period
 32 nine percent of such member's compensation.

33 (4) The amounts so deducted shall be transferred to the board of trustees and credited to the
 34 individual account of each member from whose compensation the deduction was made. In
 35 determining the amount earnable by a member in any payroll period, the board of trustees may
 36 consider the rate of earnable compensation payable to such member on the first day of the payroll
 37 period as continuing throughout such payroll period; it may omit deduction from compensation for
 38 any period less than a full payroll period if the employee was not a member on the first day of the
 39 payroll period; and to facilitate the making of the deductions, it may modify the deduction required
 40 of any member by such amount as shall not exceed one-tenth of one percent of the compensation
 41 upon the basis of which such deduction was made.

42 [(2)] (5) The deductions provided for herein are declared to be a part of the salary of the
 43 member and the making of such deductions shall constitute payments by the member out of his or
 44 her salary or earnings and such deductions shall be made notwithstanding that the minimum
 45 compensation provided by law for any member shall be reduced thereby. Every member shall be
 46 deemed to consent to the deductions made and provided for herein, and shall receipt for his or her
 47 full salary or compensation, and the making of said deductions and the payment of salary or
 48 compensation less said deduction shall be a full and complete discharge and acquittance of all

claims and demands whatsoever for services rendered during the period covered by the payment except as to benefits provided by sections 169.410 to 169.540.

[(3)] (6) The employing board may elect to pay member contributions required by this section as an employer pick up of employee contributions under Section 414(h)(2) of the Internal Revenue Code of 1986, as amended, and such contributions picked up by the employing board shall be treated as contributions made by members for all purposes of sections 169.410 to 169.540.

[2] 3. If a retired member receiving a pension pursuant to sections 169.410 to 169.540 is restored to active service and again becomes an active member of the retirement system, there shall be credited to his or her individual account an amount equal to the excess, if any, of his or her accumulated contributions at retirement over the total pension benefits paid to him or her.

[3] 4. Annually, the actuary for the retirement system shall calculate each employer's contribution as an amount equal to a certain percentage of the total compensation of all members employed by that employer. The percentage shall be fixed on the basis of the liabilities of the retirement system as shown by the annual actuarial valuation. The annual actuarial valuation shall be made on the basis of such actuarial assumptions and the actuarial cost method adopted by the board of trustees, provided that the actuarial cost method adopted shall be in accordance with generally accepted actuarial standards and that the unfunded actuarial accrued liability, if any, shall be amortized by level annual payments over a period not to exceed thirty years. The provisions of this subsection shall expire on December 31, 2016. Thereafter subsection 5 of this section shall apply.

5. For calendar year 2017, the rate of contribution payable by each employer shall equal sixteen percent of the total compensation of all members employed by that employer. For calendar year 2018, the rate of contribution payable by each employer shall equal fifteen percent of the total compensation of all members employed by that employer. For calendar year 2019, the rate of contribution payable by each employer shall equal fourteen percent of the total compensation of all members employed by that employer. For calendar year 2020, the rate of contribution payable by each employer shall equal thirteen percent of the total compensation of all members employed by that employer. For calendar year 2021, the rate of contribution payable by each employer shall equal twelve percent of the total compensation of all members employed by that employer. For calendar year 2022, the rate of contribution payable by each employer shall equal eleven percent of the total compensation of all members employed by that employer. For calendar year 2023, the rate of contribution payable by each employer shall equal ten percent of the total compensation of all members employed by that employer. For calendar year 2024 and subsequent calendar years, the rate of contribution payable by each employer shall equal nine percent of the total compensation of all members employed by that employer.

[4.] 6. The expense and contingency reserve shall be a reserve for investment contingencies and estimated expenses of administration of the retirement system as determined annually by the board of trustees.

[5.] 7. Gifts, devises, bequests and legacies may be accepted by the board of trustees to be held and invested as a part of the assets of the retirement system and shall not be separately accounted for except where specific direction for the use of a gift is made by a donor."; and

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