

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND House Committee Substitute for Senate Substitute for Senate Bill No. 62, Page 8, Section  
2 169.141, Line 33, by inserting after all of said line the following:

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  
6 retirant's 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;

32 (5) Notwithstanding the provisions of subdivisions (1) to (4) of this subsection, effective  
33 January 1, 1996, any retirant who retired on, before or after January 1, 1996, with at least twenty  
34 years of creditable service shall receive at least three hundred dollars each month as a retirement  
35 allowance, or the actuarial equivalent thereof if the retirant elected any of the options available  
36 under section 169.326. Any retirant who retired with at least ten years of creditable service shall

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

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

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

35       (1) The retirement allowance the person was receiving at the time the person's retirement  
36 allowance was suspended, pursuant to the payment option elected as of the first retirement date, plus  
37 the amount of any increase in such retirement allowance the person would have received pursuant to  
38 subsection 3 of this section had payments not been suspended during the person's reemployment;  
39 and

40       (2) An additional retirement allowance computed using the benefit formula in effect on the  
41 person's second retirement date, the person's creditable service following reemployment, and the  
42 person's average final annual compensation as of the second retirement date. The sum calculated  
43 pursuant to this subsection shall not exceed the greater of sixty percent of the person's average final  
44 compensation as of the second retirement date or the amount determined pursuant to subdivision (1)  
45 of this subsection. Compensation earned prior to the person's first retirement date shall be  
46 considered in determining the person's average final compensation as of the second retirement date  
47 if such compensation would otherwise be included in determining the person's average final  
48 compensation.

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

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

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

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

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

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

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

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

29           5. If an inactive member becomes an active member after June 30, 2001, and after a break  
30 in service, unless the person earns at least four additional years of creditable service without another  
31 break in service, upon retirement the person's retirement allowance shall be calculated separately for  
32 each separate period of service ending in a break in service. The retirement allowance shall be the  
33 sum of the separate retirement allowances computed for each such period of service using the  
34 benefit formula in effect, the person's average final compensation as of the last day of such period of  
35 service and the creditable service the person earned during such period of service; provided,  
36 however, if the person earns at least four additional years of creditable service without another break  
37 in service, all of the person's creditable service prior to and including such service shall be  
38 aggregated and, upon retirement, the retirement allowance shall be computed using the benefit  
39 formula in effect and the person's average final compensation as of the last day of such period of  
40 four or more years and all of the creditable service the person earned prior to and during such  
41 period.

42           6. Notwithstanding anything contained in this section to the contrary, the amount of the  
43 annual service retirement allowance payable to any retirant pursuant to the provisions of sections  
44 169.270 to 169.400, including any adjustments made pursuant to subsection 3 of this section, shall  
45 at all times comply with the provisions and limitations of Section 415 of the Internal Revenue Code  
46 of 1986, as amended, and the regulations thereunder, the terms of which are specifically  
47 incorporated herein by reference.

48           7. All retirement systems established by the laws of the state of Missouri shall develop a

1 procurement action plan for utilization of minority and women money managers, brokers and  
2 investment counselors. Such retirement systems shall report their progress annually to the joint  
3 committee on public employee retirement and the governor's minority advocacy commission.

4 169.560. Any person retired and currently receiving a retirement allowance pursuant to  
5 sections 169.010 to 169.141, other than for disability, may be employed in any capacity in a district  
6 included in the retirement system created by those sections on either a part-time or temporary-  
7 substitute basis not to exceed a total of five hundred fifty hours in any one school year, and through  
8 such employment may earn up to fifty percent of the annual compensation payable under the  
9 [employing] district's salary schedule for the position or positions filled by the retiree, given such  
10 person's level of experience and education, without a discontinuance of the person's retirement  
11 allowance. If the [employing] school district does not utilize a salary schedule, or if the position in  
12 question is not subject to the [employing] district's salary schedule, a retiree employed in  
13 accordance with the provisions of this section may earn up to fifty percent of the annual  
14 compensation paid to the person or persons who last held such position or positions. If the position  
15 or positions did not previously exist, the compensation limit shall be determined in accordance with  
16 rules duly adopted by the board of trustees of the retirement system; provided that, it shall not  
17 exceed fifty percent of the annual compensation payable for the position in the [employing] school  
18 district that is most comparable to the position filled by the retiree. In any case where a retiree fills  
19 more than one position during the school year, the fifty-percent limit on permitted earning shall be  
20 based solely on the annual compensation of the highest paid position occupied by the retiree for at  
21 least one-fifth of the total hours worked during the year. Such a person shall not contribute to the  
22 retirement system or to the public education employee retirement system established by sections  
23 169.600 to 169.715 because of earnings during such period of employment. If such a person is  
24 employed in any capacity by such a district ~~[on a regular, full-time basis,]~~ in excess of the  
25 limitations set forth in this section, the person shall not be eligible to receive the person's retirement  
26 allowance for any month during which the person is so employed. In addition, such person [and]  
27 shall contribute to the retirement system if the person satisfies the retirement system's membership  
28 eligibility requirements. In addition to the conditions set forth above, this section shall apply to any  
29 person retired and currently receiving a retirement allowance under sections 169.010 to 169.141,  
30 other than for disability, who is employed by a third party or is performing work as an independent  
31 contractor, if such person is performing work in a district included in the retirement system as a  
32 temporary or long-term substitute teacher or in any other position that would normally require that  
33 person to be duly certificated under the laws governing the certification of teachers in Missouri if  
34 such person was employed by the district. The retirement system may require the district, the third-  
35 party employer, the independent contractor, and the retiree subject to this section to provide  
36 documentation showing compliance with this section. If such documentation is not provided, the  
37 retirement system may deem the retiree to have exceeded the limitations provided in this section.";  
38 and

39  
40 Further amend said bill by amending the title, enacting clause, and intersectional references  
41 accordingly.