CCS HCS SS SB 62 -- PUBLIC EMPLOYEE RETIREMENT SYSTEMS

This bill modifies various pension systems.

COUNTY EMPLOYEES' RETIREMENT FUND

This bill modifies the fees deposited in the County Employees' Retirement Fund (CERF) for funding the plan.

The recorder of deeds' fee on delinquent and back dated taxes is increased from 7% to 9%. Of the 9% collected, two-ninths is paid to the county general fund, two-ninths is paid to the county's tax maintenance fund, and five-ninths is paid to CERF; the penalty for failing to return personal property assessment lists is increased by $5; and the county collector and clerk shall receive $5 each for the recording of delinquent land lists with each such sum going to CERF (Sections 52.290, 137.280, 137.345, and 140.100, RSMo).

ST. LOUIS PUBLIC EMPLOYEE RETIREMENT BENEFITS

This bill allows airport police officers in the Employees Retirement System of the City of St. Louis the option of remaining in that retirement plan or to transfer their creditable service to the St. Louis Metropolitan Police Department. Any member transferring is subject to the conditions and requirements of Section 105.691 relating to agreements to transfer service between plans (Section 86.207).

RETIREMENT OF STATE EMPLOYEES

Beginning January 1, 2018, members of the Missouri State Employees Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System who first become employees on or after January 1, 2011 and who are not statewide elected officials or members of the General Assembly should be eligible for retirement under the following conditions:

(1) A member's normal retirement eligibility will be based on the attainment of at least age 67 with the completion of five years of credited service or at age 55 with the member's age plus years of credited service equal to 90 (90 and out). In the case of a member who is serving as a uniformed member of the highway patrol and subject to the mandatory retirement provisions, such member's attainment of at least age 60 or the attainment of age 55 with five years of creditable service;

(2) A vested former member's normal retirement eligibility shall be based on the attainment of at least age 67;

(3) A temporary annuity shall be payable for members qualifying under 90 and out. For uniformed members of the highway patrol the temporary annuity shall be payable if the member has attained at least age 60, or at least age 55 with five years of credited service;

(4) Members will be eligible for an early retirement at age 62 with five years of credited service. A vested former member shall not be eligible for early retirement;

(5) Survivor benefits for vested former members covered by this section shall not be payable until the deceased member would have reached his or her normal retirement eligibility;

(6) The annual cost-of-living adjustment payable to a vested former member will not be payable until the second anniversary of a vested former member's annuity starting date; and

(7) The unused sick leave credit will only apply to members who terminate employment after reaching normal retirement eligibility or becoming eligible for an early retirement annuity (Section 104.1091).

Additionally, term vested members, under the closed plan or year 2000 plan, who are not yet eligible for a normal retirement benefit are allowed to make a one-time election to receive a lump sum payment equal to a percentage of the present value of such member's deferred annuity should a board choose to establish such a program. Members electing this option will forfeit all creditable service under the plan and if such member again becomes an employee they will be considered a new employee with no prior credited service (Section 104.1092).

COLLEGE AND UNIVERSITY RETIREMENT PLAN

This bill provides that the retirement plan for employees of certain higher education institutions shall contribute 6% of payroll to the plan. Currently, the rate is 1% of payroll less than the normal cost contribution rate established for employees of institutions other than outside employees, and that employees hired on or after July 1, 2018, shall contribute 2% of pay.

Additionally, all employees may also contribute to an optional supplemental retirement account (Section 104.1205).

PUBLIC PENSION FORFEITURE DUE TO FELONY CONVICTION

This bill clarifies provisions related to public pension forfeiture when a felonious act is committed in direct connection with or directly related to the participant's duties. The employer is required to notify the appropriate retirement system and provide information in connection with the felony charge or conviction (Section 105.669).

PUBLIC SCHOOL EMPLOYEES RETIREMENT

This bill allows retired members of the Public School or Public Education Employees Retirement Systems who have elected a reduced retirement allowance to provide for survivor benefits for his or her spouse to have the retirement allowance increased to the single life annuity amount, with no survivor benefits, if the member and his or her spouse become divorced on or after September 1, 2017 only if the dissolution decree provides for sole retention by the retired person of all rights in the retirement allowance.

Currently, a retired member has 90 days from the date of the remarriage to nominate a successor beneficiary; this bill changes the deadline to one year.

Any such increase in the retirement allowance will be effective upon the receipt of an application for the increase and a certified copy of the decree of dissolution that meets the requirements (Sections 169.141 and 169.715).

KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM - EMPLOYMENT AFTER RETIREMENT

Currently, a retired teacher from the Kansas City Public School Retirement System can work part-time for a school district during a school year and not forfeit his or her retirement allowance. The retired teacher can work up to 600 hours and earn up to 50% of the annual salary received by the person while they were teaching prior to retirement.

The bill expands this provision to include someone who is employed by a third party or working as an independent contractor as a substitute teacher or other position normally requiring certification. Documentation may be required showing proof of compliance with this provision (Section 169.324).

PUBLIC SCHOOL RETIREMENT SYSTEM - EMPLOYMENT AFTER RETIREMENT

Currently, a retired teacher receiving an allowance from the Missouri Public School Retirement System can work part-time for a school district covered by the retirement system and not forfeit his or her retirement allowance. The retired person can work up to 550 hours and earn up to 50% of the annual salary received by the person while they were teaching prior to retirement.

The bill expands this provision to any individual who is employed by a third party or working as an independent contractor as a substitute teacher or other position normally requiring certification. Documentation may be required showing proof of compliance with this provision (Section 169.560).

ST. LOUIS PUBLIC SCHOOL RETIREMENT SYSTEM

This bill changes the laws regarding the Public School Retirement System of the City of St. Louis. In its main provisions, the bill:

(1) Allows a teacher within the Public School Retirement System of the City of St. Louis to retire at age 65 or when his or her age added to the number of years of credited service is not less than 80. This will commonly be known as the Rule of 80. Currently, the retirement age is 65 or when the age added to the number of years of credited service is 85 and the rule is commonly known as the Rule of 85;

(2) Beginning January 1, 2018, new employees hired for the first time, will have their retirement benefits calculated using a 1.75% multiplication factor. Existing employees will have their benefits calculated using a multiplication factor of 2% for all years of service;

(3) Increases a current member's contribution to the system by .5% of the member's compensation each year until the contribution rate equals 9%. New members will automatically contribute 9%; and

(4) Beginning with calendar year 2018 the employer contribution rate will be 16% and will decrease annually by .5% every year until the year 2032 when the rate will equal 9%. The rate will remain at 9% thereafter (Sections 169.460 and 169.490).