

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 743, Page 2, Section 163.018, Line 39,
2 by inserting immediately after all of said section and 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

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

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

41 (2) An additional retirement allowance computed using the benefit formula in effect on the
42 person's second retirement date, the person's creditable service following reemployment, and the
43 person's average final annual compensation as of the second retirement date.

44
45 The sum calculated pursuant to this subsection shall not exceed the greater of sixty percent of the
46 person's average final compensation as of the second retirement date or the amount determined
47 pursuant to subdivision (1) of this subsection. Compensation earned prior to the person's first
48 retirement date shall be considered in determining the person's average final compensation as of the

1 second retirement date if such compensation would otherwise be included in determining the
2 person's average final compensation.

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

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

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

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

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

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

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

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

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

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

1 incorporated herein by reference.

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

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

40 169.660. 1. On and after the first day of July next following the operative date, any
41 member who is sixty or more years of age and who has at least five years of creditable service, or
42 who has attained age fifty-five and has at least twenty-five years of creditable service, or who has at
43 least thirty years of creditable service regardless of age may retire and receive the full retirement
44 benefits based on the member's creditable service. A member whose creditable service at retirement
45 is less than five years shall not be entitled to a retirement allowance but shall be entitled to receive
46 the member's contributions.

47 2. Any person retired and currently receiving a retirement allowance pursuant to sections
48 169.600 to 169.715, other than for disability, may be employed on either a part-time or temporary-

1 substitute basis by a district included in the retirement system not to exceed a total of [~~five~~] seven
2 hundred [~~fifty~~] hours in any one school year, without a discontinuance of the person's retirement
3 allowance. Such a person shall not contribute to the retirement system, or to the public school
4 retirement system established by sections 169.010 to 169.141, because of earnings during such
5 period of employment. If such a person is employed in any capacity by such a district on a regular,
6 full-time basis, or the person's part-time or temporary-substitute service in any capacity exceeds
7 [~~five~~] seven hundred [~~fifty~~] hours in any one school year, the person shall not be eligible to receive
8 the person's retirement allowance for any month during which the person is so employed.

9 3. The system shall pay a monthly retirement allowance for the month in which a retired
10 member or beneficiary receiving a retirement allowance dies."; and

11
12 Further amend said bill by amending the title, enacting clause, and intersectional references
13 accordingly.