

FIRST REGULAR SESSION

HOUSE BILL NO. 670

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ANDERSON.

1430H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 105.684 and 169.540, RSMo, and to enact in lieu thereof three new sections relating to retirement benefits for certain teacher retirement systems.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 105.684 and 169.540, RSMo, are repealed and three new sections
2 enacted in lieu thereof, to be known as sections 105.684, 169.540, and 169.542, to read as
3 follows:

105.684. 1. Notwithstanding any law to the contrary, no plan shall adopt or
2 implement any additional benefit increase, supplement, enhancement, lump sum benefit
3 payments to participants, or cost-of-living adjustment beyond current plan provisions in effect
4 prior to August 28, 2007, which would, in aggregate with any other proposed plan provisions,
5 increase the plan's actuarial accrued liability when valued by an actuary using the same
6 methods and assumptions as used in the most recent periodic valuation, unless the plan's
7 actuary determines that the funded ratio of the most recent periodic actuarial valuation and
8 prior to such adoption or implementation is at least eighty percent and will not be less than
9 seventy-five percent after such adoption or implementation, **except for the system governed**
10 **by sections 169.410 to 169.542, which may administer a one-time supplemental payment**
11 **as set forth in section 169.542, subject to state appropriations.** Methods and assumptions
12 used in valuing such proposed change may be modified if the nature is such that alternative
13 assumptions are clearly warranted.

14 2. The unfunded actuarial accrued liabilities associated with benefit changes
15 described in this section shall be amortized over a period not to exceed twenty years for

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 purposes of determining the contributions associated with the adoption or implementation of
17 any such benefit increase, supplement, or enhancement.

18 3. Any plan with a funded ratio below sixty percent shall have the actuary prepare an
19 accelerated contribution schedule based on a descending amortization period for inclusion in
20 the actuarial valuation.

21 4. Nothing in this section shall apply to any plan established under chapter 70 or
22 chapter 476.

23 5. Nothing in this section shall prevent a plan from adopting and implementing any
24 provision necessary to maintain a plan's status as a qualified trust pursuant to 26 U.S.C.
25 Section 401(a).

169.540. The state of Missouri shall contribute no funds directly or indirectly to
2 finance the plan to pay pension benefits by appropriation bills or otherwise, except:

3 (1) Those funds which the district may receive from time to time under a law or laws
4 providing for a general apportionment of school moneys throughout all the state ~~[and except]~~;

5 (2) Employer contributions for members employed by the board of regents which
6 shall be made by the state of Missouri; and

7 (3) **State funds appropriated for a one-time supplemental payment as set forth in**
8 **section 169.542.**

169.542. 1. The board of trustees shall administer and distribute a one-time
2 **supplemental payment of a pension benefit, as defined in section 169.410, to a retired**
3 **member or beneficiary as provided in this section.**

4 **2. Subject to appropriations, the supplemental payment shall be payable no later**
5 **than September 30, 2024, and to the extent practicable, on a date or dates that coincide**
6 **with the regular pension benefit payable to each retired member or beneficiary.**

7 **3. The amount of the supplemental payment shall be equal to the lesser of:**

8 (1) **The gross amount of the regular pension benefit to which the retired member**
9 **or beneficiary is otherwise entitled for the calendar month immediately prior to the**
10 **calendar month in which the supplemental payment is issued; or**

11 (2) **Two thousand dollars.**

12 **4. The board of trustees shall make applicable tax withholding and any other**
13 **legally required deductions before disbursing the supplementary payment.**

14 **5. A supplementary payment under this section shall be in addition to, and not in**
15 **lieu of, a regular monthly pension benefit to which the eligible retired member or**
16 **beneficiary is otherwise entitled.**

17 **6. In order to be eligible for a supplemental payment, a person shall be, for the**
18 **calendar month immediately prior to the calendar month in which the board of trustees**

19 issues the one-time supplemental payment, eligible to receive a standard retirement
20 pension benefit under sections 169.410 to 169.542.

21 7. The board of trustees shall determine the eligibility for, and the amount and
22 timing of, a supplemental payment and the manner in which the payment shall be made.

23 8. The state shall appropriate to the retirement system governed by sections
24 169.410 to 169.542 an amount equal to the cost of the one-time supplemental payment
25 required by this section. If the state does not transfer the appropriated amount
26 described by this subsection, the board of trustees shall not issue the one-time
27 supplemental payment required by this section.

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