

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 71, Page 5, Section 70.630, Line 32, by inserting after all of said section and line the
3 following:
4

5 "70.655. 1. Upon a member's retirement he or she shall receive an allowance for life in
6 accordance with the applicable benefit program elected by the member's employer, as follows:

7 (1) Benefit program L-1. A member with credited service covered by benefit program L-1
8 shall receive an allowance for life equal to one percent of the member's final average salary
9 multiplied by the number of years of such credited service;

10 (2) Benefit program L-3. A member with credited service covered by benefit program L-3
11 shall receive an allowance for life equal to one and one-quarter percent of the member's final
12 average salary multiplied by the number of years of such credited service;

13 (3) Benefit program LT-4. A member with credited service covered by benefit program LT-
14 4 shall receive an allowance for life equal to one percent of the member's final average salary
15 multiplied by the number of years of such credited service. In addition, if such member is retiring
16 as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age at
17 retirement is younger than age sixty-two, then such member shall receive a temporary allowance
18 equal to one percent of the member's final average salary multiplied by the number of years of such
19 credited service. Such temporary allowance shall terminate at the end of the calendar month in
20 which the earlier of the following events occurs: such member's death; or the member's attainment
21 of age sixty-two;

22 (4) Benefit program LT-5. A member with credited service covered by benefit program LT-
23 5 shall receive an allowance for life equal to one and one-quarter percent of the member's final
24 average salary multiplied by the number of years of such credited service. In addition, if such
25 member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such
26 member's age at retirement is younger than age sixty-two, then such member shall receive a
27 temporary allowance equal to three-quarters of one percent of the member's final average salary
28 multiplied by the number of years of such credited service. Such temporary allowance shall
29 terminate at the end of the calendar month in which the earlier of the following events occurs: such
30 member's death; or the member's attainment of age sixty-two;

Action Taken _____ Date _____

1 (5) Benefit program L-6. A member with credited service covered by benefit program L-6
2 shall receive an allowance for life equal to two percent of the member's final average salary
3 multiplied by the number of years of such credited service;

4 (6) Benefit program L-7. A member with credited service covered by benefit program L-7
5 shall receive an allowance for life equal to one and one-half percent of the member's final average
6 salary multiplied by the number of years of such credited service;

7 (7) Benefit program LT-8. A member with credited service covered by benefit program LT-
8 8 shall receive an allowance for life equal to one and one-half percent of the member's final average
9 salary multiplied by the number of years of such credited service. In addition, if such member is
10 retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age
11 at retirement is younger than age sixty-two, then such member shall receive a temporary allowance
12 equal to one-half of one percent of the member's final average salary multiplied by the number of
13 years of such credited service. Such temporary allowance shall terminate at the end of the calendar
14 month in which the earlier of the following events occurs: such member's death; or the member's
15 attainment of age sixty-two;

16 (8) Benefit program LT-4(65). A member with credited service covered by benefit program
17 LT-4(65) shall receive an allowance for life equal to one percent of the member's final average
18 salary multiplied by the number of years of such credited service. In addition, if such member is
19 retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age
20 at retirement is younger than age sixty-five, then such member shall receive a temporary allowance
21 equal to one percent of the member's final average salary multiplied by the number of years of such
22 credited service. Such temporary allowance shall terminate at the end of the calendar month in
23 which the earlier of the following events occurs: such member's death; or the member's attainment
24 of age sixty-five;

25 (9) Benefit program LT-5(65). A member with credited service covered by benefit program
26 LT-5(65) shall receive an allowance for life equal to one and one-quarter percent of the member's
27 final average salary multiplied by the number of years of such credited service. In addition, if such
28 member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such
29 member's age at retirement is younger than age sixty-five, then such member shall receive a
30 temporary allowance equal to three-quarters of one percent of the member's final average salary
31 multiplied by the number of years of such credited service. Such temporary allowance shall
32 terminate at the end of the calendar month in which the earlier of the following events occurs: such
33 member's death; or the member's attainment of age sixty-five;

34 (10) Benefit program LT-8(65). A member with credited service covered by benefit
35 program LT-8(65) shall receive an allowance for life equal to one and one-half percent of the
36 member's final average salary multiplied by the number of years of such credited service. In
37 addition, if such member is retiring as provided in section 70.645 or section 70.650 or section
38 70.670, and if such member's age at retirement is younger than age sixty-five, then such member
39 shall receive a temporary allowance equal to one-half of one percent of the member's final average

1 salary multiplied by the number of years of such credited service. Such temporary allowance shall
2 terminate at the end of the calendar month in which the earlier of the following events occurs: such
3 member's death; or the member's attainment of age sixty-five;

4 (11) Benefit program L-9. A member with credited service covered by benefit program L-9
5 shall receive an allowance for life equal to one and six-tenths percent of the member's final average
6 salary multiplied by the number of years of such credited service;

7 (12) Benefit program LT-10(65). A member with credited service covered by benefit
8 program LT-10(65) shall receive an allowance for life equal to one and six-tenths percent of the
9 members' final average salary multiplied by the number of years of such credited service. In
10 addition, if such member is retiring as provided in section 70.645 or section 70.650 or section
11 70.670, and if such member's age at retirement is younger than age sixty-five, then such member
12 shall receive a temporary allowance equal to four-tenths of one percent of the member's final
13 average salary multiplied by the number of years of such credited service. Such temporary
14 allowance shall terminate at the end of the calendar month in which the earlier of the following
15 events occurs: such member's death; or the member's attainment of age sixty-five;

16 (13) Benefit program L-11. Benefit program L-11 may cover employment in a position only
17 if such position is not concurrently covered by federal Social Security; in addition, if such position
18 was previously covered by federal Social Security, benefit program L-11 may cover only
19 employment rendered after cessation of federal Social Security coverage. A member with credited
20 service covered by benefit program L-11 shall receive an allowance for life equal to two and one-
21 half percent of the member's final average salary multiplied by the number of years of such credited
22 service;

23 (14) Benefit program L-12. A member with credited service covered by benefit program L-
24 12 shall receive an allowance for life equal to one and three-quarter percent of the member's final
25 average salary multiplied by the number of years of such credited service;

26 (15) Benefit program LT-14(65). A member with credited service covered by benefit
27 program LT-14(65) shall receive an allowance for life equal to one and three-quarter percent of the
28 member's final average salary multiplied by the number of years of such credited service. In
29 addition, if such member is retiring as provided in section 70.645, 70.650, or 70.670, then such
30 member shall receive a temporary allowance equal to one-quarter of one percent of the member's
31 final average salary multiplied by the number of years of such credited service. Such temporary
32 allowance shall terminate at the end of the calendar month in which the earlier of the following
33 events occurs: such member's death or the member's attainment of age sixty-five.

34 2. If each portion of a member's credited service is not covered by the same benefit
35 program, then the member's total allowance for life shall be the total of the allowance for life
36 determined under each applicable benefit program.

37 3. Each employer shall have the credited service of each of its members covered by benefit
38 program L-1 provided for in this section unless such employer shall have elected another benefit
39 program provided for in this section.

1 4. Except as otherwise provided in this subsection, each political subdivision, by majority
2 vote of its governing body, may elect from time to time to cover its members, whose political
3 subdivision employment is concurrently covered by federal Social Security, under one of the benefit
4 programs provided for in this section. Each political subdivision, by majority vote of its governing
5 body, may elect from time to time to cover its members, whose political subdivision employment is
6 not concurrently covered by federal Social Security, under one of the benefit programs provided for
7 in this section. The clerk or secretary of the political subdivision shall certify the election of the
8 benefit program to the board within ten days after such vote. The effective date of the political
9 subdivision's benefit program is the first day of the calendar month specified by such governing
10 body, or the first day of the calendar month next following receipt by the board of the certification
11 of election of benefit program, or the effective date of the political subdivision becoming an
12 employer, whichever is the latest. Such election of benefit program may be changed from time to
13 time by such vote, but not more often than biennially. If such changed benefit program provides
14 larger allowances than the benefit program previously in effect, then such larger benefit program
15 shall be applicable to the past and future employment with the employer by present and future
16 employees. If such changed benefit program provides smaller allowances than the benefit program
17 previously in effect, then such changed benefit program shall be applicable only to credited service
18 for employment rendered from and after the effective date of such change. After August 28, 1994,
19 political subdivisions shall not elect coverage under benefit program LT-4, benefit program LT-5, or
20 benefit program LT-8. After August 28, 2005, political subdivisions shall not elect coverage under
21 benefit program L-9 or benefit program LT-10(65).

22 5. Should an employer change its election of benefit program as provided in this section, the
23 employer contributions shall be correspondingly changed effective the same date as the benefit
24 program change.

25 6. The limitation on increases in an employer's contribution provided by subsection 6 of
26 section 70.730 shall not apply to any contribution increase resulting from an employer electing a
27 benefit program which provides larger allowances.

28 7. Subject to the provisions of subsections 8 and 9 ~~[and 10]~~ of this section, for an allowance
29 becoming effective on September 28, 1975, or later, and beginning with the October first which is at
30 least twelve full months after the effective date of the allowance, the amount of the allowance shall
31 be redetermined effective each October first and such redetermined amount shall be payable for the
32 ensuing year. Subject to the limitations stated in the next sentence, such redetermined amount shall
33 be the amount of the allowance otherwise payable multiplied by the following percent: one hundred
34 percent, plus two percent for each full year (excluding any fraction of a year) in the period from the
35 effective date of the allowance to the current October first. In no event shall such redetermined
36 amount (1) be less than the amount of the allowance otherwise payable nor (2) be more than the
37 amount of the allowance otherwise payable multiplied by the following fraction: the numerator
38 shall be the Consumer Price Index for the month of June immediately preceding such October first
39 (but in no event an amount less than the denominator below) and the denominator shall be the

Consumer Price Index for the month of June immediately preceding the effective date of the allowance. As used herein, "Consumer Price Index" means a measure of the Consumer Price Index [for Urban Wage Earners and Clerical Workers,] as determined by the United States Department of Labor and adopted by the board of trustees [in effect January 1, 1975; provided, should such Consumer Price Index be restructured subsequent to 1974 in a manner materially changing its character, the board shall change the application of the Consumer Price Index so that as far as is practicable the 1975 intent of the use of the Consumer Price Index shall be continued]. As used herein "the amount of the allowance otherwise payable" means the amount of the allowance which would be payable without regard to these provisions redetermining allowance amounts after retirement.

8. ~~[Subject to the provisions of subsections 9 and 10 of this section, for an allowance becoming effective on September 28, 1975, or later, the maximum allowance payable under the provisions of section 70.685 shall be redetermined each October first in the same manner as an allowance is redetermined under the provisions of subsection 7 of this section.]~~

9.] (1) The system establishes reserves for the payment of future allowances to retirants and beneficiaries. Should the board determine, after consulting with the actuary, that the established reserves are more than sufficient to provide such allowances, the board may increase the annual increase rate provided for in ~~[subsections]~~ subsection 7 ~~[and 8]~~ of this section, as it applies to any allowance payable, but in no event shall the total of all redetermined amounts as of October first of any year be greater than one hundred four percent of the allowances which would have been payable that October first without such redeterminations; provided, as of any redetermination date the same annual increase rate shall be applied to all allowances with effective dates in the range of November first to October first of the following year. The board may extend the provisions of ~~[subsections]~~ subsection 7 ~~[and 8]~~ of this section to allowances which became effective before September 28, 1975; provided such an action by the board shall not increase an employer contribution rate then in effect;

(2) After August 28, 1993, the annual increase rate established by this subsection shall be a compound rate, compounded annually, and the four percent annual maximum rate shall also be a compound rate, compounded annually; provided, the use of such compounding shall not begin until October 1, 1993, and shall not affect redeterminations made prior to that date.

~~[40.]~~ 9. Should the board determine that the provisions of subsections ~~7[-8]~~ and ~~[9]~~ 8 of this section are jeopardizing the financial solvency of the system, the board shall suspend these provisions redetermining allowance amounts after retirement for such periods of time as the board deems appropriate.

70.680. 1. Any member in service with five or more years of credited service who has not attained the age and service requirements of section 70.645 and who becomes totally and permanently physically or mentally incapacitated for his duty as an employee, as the result of a personal injury or disease, may be retired by the board upon written application filed with the board by or on behalf of the member; provided, that after a medical examination of such member made by

1 or under the direction of a medical committee consisting of three physicians, one of whom shall be
2 selected by the board, one by or on behalf of such member, and the third by the first two physicians
3 so named, the medical committee reports to the board, by majority opinion in writing, that such
4 member is physically or mentally totally incapacitated for the further performance of duty, that such
5 incapacity will probably be permanent and that such member should be retired.

6 2. Upon disability retirement, as provided in subsection 1 of this section, a member shall
7 receive an allowance for life provided for in section 70.655 and shall have the right to elect an
8 option provided for in section 70.660. His or her disability retirement and allowance shall be
9 subject to the provisions of subsection 5 of this section ~~[and to the provisions of section 70.685]~~.

10 3. Any member in service who becomes totally and permanently physically or mentally
11 incapacitated for his duty as an employee, as the natural and proximate result of a personal injury or
12 disease which the board finds to have arisen out of and in the course of his actual performance of
13 duty as an employee, may be retired by the board upon written application filed with the board by or
14 on behalf of the member; provided, that after a medical examination of such member made by or
15 under the direction of a medical committee consisting of three physicians, one of whom shall be
16 selected by the board, one by or on behalf of such member, and the third by the first two physicians
17 so named, the medical committee reports to the board, by majority opinion in writing, that such
18 member is physically or mentally totally incapacitated for the further performance of duty, that such
19 incapacity will probably be permanent, and that such member should be retired.

20 4. Upon disability retirement as provided in subsection 3 of this section, a member shall
21 receive an allowance for life provided for in section 70.655; provided, that for the sole purpose of
22 computing the amount of such allowance, he or she shall be given credited service for the period
23 from the date of his or her disability retirement to the date he or she would attain age sixty. He or
24 she shall have the right to elect an option provided for in section 70.660. His or her disability
25 retirement and allowance shall be subject to the provisions of subsection 5 of this section ~~[and to the~~
26 ~~provisions of section 70.685]~~.

27 5. At least once each year during the first five years following a member's retirement on
28 account of disability, and at least once in each three-year period thereafter, the board shall require
29 any disability retirant who has not attained his minimum service retirement age to undergo a
30 medical examination to be made by a physician designated by the board. If the retirant refuses to
31 submit to medical examination in any such period, his disability allowance shall be suspended by
32 the board until his withdrawal of such refusal. If such refusal continues for one year, all his rights in
33 and to a disability allowance shall be revoked by the board. If, upon medical examination of the
34 retirant, the physician reports to the board that the retirant is physically and mentally able and
35 capable of resuming his duty as an employee in the position held by him at the time of his disability
36 retirement, then the board shall, if demanded by the retirant, arrange a further medical examination
37 of such member made by or under the direction of a medical committee consisting of three
38 physicians, one of whom shall be selected by the board, one by or on behalf of the member, and the
39 third by the first two physicians named. Should the medical committee concur, by majority opinion

1 in writing to the board, the disability retirant is capable of resumption of duty, his disability
 2 retirement shall terminate and he shall be returned to duty and he shall immediately again become a
 3 member of the system, his credited service at the time of disability retirement shall be restored to his
 4 credit, and the amount of his accumulated contributions at the time of his disability retirement shall
 5 be restored to his credit in the members deposit fund. If he was in receipt of a duty disability
 6 allowance provided for in subsection 3 of this section, he shall also be given service credit for the
 7 period he was in receipt of the duty disability allowance.

8 70.690. 1. In the event a member ceases to be a member other than by death before the date
 9 he becomes entitled to retire with an allowance payable by the system, he shall be paid, upon his
 10 written application filed with the board, his accumulated contributions standing to his credit in the
 11 members deposit fund.

12 2. In the event a member dies, and no allowance becomes or will become payable by the
 13 system on account of his death, his accumulated contributions standing to his credit in the members
 14 deposit fund at the time of his death shall be paid to such person or persons as he shall have
 15 nominated by written designation duly executed and filed with the board. If there be no such
 16 designated person or persons surviving such member, such accumulated contributions shall be paid
 17 to his surviving spouse, or to his estate if there is no surviving spouse.

18 3. In the event a member's membership in the system terminates, and no allowance becomes
 19 or will become payable on his account, any accumulated contributions standing to his credit in the
 20 members deposit fund unclaimed by such member or his legal representative within ~~three~~ ten years
 21 after the date his membership terminated, shall be transferred to the income-expense fund. If
 22 thereafter proper application is made for such accumulated contributions, the board shall pay them
 23 from the income-expense fund, but without interest after the date payment was first due.

24 70.745. 1. The board shall be the trustees of the funds of the system. Subject to the
 25 provisions of any applicable federal or state laws, the board shall have full power to invest and
 26 reinvest the moneys of the system, and to hold, purchase, sell, assign, transfer or dispose of any of
 27 the securities and investments in which such moneys shall have been invested, as well as the
 28 proceeds of such investments and such moneys.

29 2. The board of trustees may deliberate about, or make tentative or final decisions on,
 30 investments or other financial matters in a closed meeting under chapter 610 if disclosure of the
 31 deliberations or decisions would jeopardize the ability to implement a decision or to achieve
 32 investment objectives. A record of the retirement system that discloses deliberations about, or a
 33 tentative decision on, investments or other financial matters is not a public record under chapter 610
 34 to the extent and so long as its disclosure would jeopardize the ability to implement a decision or to
 35 achieve investment objectives.

36 70.746. Notwithstanding any other provision of law to the contrary, the board of trustees
 37 may delegate to its duly appointed investment counselor authority to act in place of the board in the
 38 investment and reinvestment of all or part of the moneys of the system, and may also delegate to
 39 such counselor the authority to act in place of the board in the holding, purchasing, selling,

1 assigning, transferring, or disposing of any or all of the securities and investments in which such
 2 moneys shall have been invested, as well as the proceeds of such investments and such moneys.
 3 ~~[Such investment counselor shall be registered as an investment advisor with the United States~~
 4 ~~Securities and Exchange Commission.]~~ In exercising or delegating its investment powers and
 5 authority, members of the board shall exercise ordinary business care and prudence under the facts
 6 and circumstances prevailing at the time of the action or decision. In so doing, the board shall
 7 consider the long- and short-term needs of the system in carrying out its purposes, the system's
 8 present and anticipated financial requirements, the expected total return on the system's investment,
 9 general economic conditions, income, growth, long-term net appreciation, and probable safety of
 10 funds. No member of the board shall be liable for any action taken or omitted with respect to the
 11 exercise of or delegation of these powers and authority if such member shall have discharged the
 12 duties of his or her position in good faith and with that degree of diligence, care, and skill which
 13 prudent men and women would ordinarily exercise under similar circumstances in a like position.

14 70.747. Notwithstanding any other provision of law to the contrary, the board shall have full
 15 power to invest and reinvest the funds and moneys of the system in improved real estate, including
 16 collective real estate funds and real estate investment trusts, wherever situated~~]; provided, however,~~
 17 ~~that not more than one-tenth of the funds and moneys of the system at the time of such investment~~
 18 ~~shall be so invested].~~

19 70.748. 1. Notwithstanding the provisions of section 105.662 to the contrary, the board may
 20 set up and maintain a local government employee retirement systems of Missouri investment fund
 21 account in which investment and reinvestment of all or part of the moneys of the retirement system
 22 may be placed and be available for investment purposes.

23 2. For the purpose of investing the funds of the retirement system, the funds may be
 24 combined with the funds of any retirement plan that is administered by the retirement system under
 25 section 70.621 and any retirement plan established for the purpose of providing benefits for
 26 employees of the system, but the funds of each plan shall be accounted for separately and for all
 27 other reporting purposes shall be separate.

28 3. The board of trustees may promulgate such rules and regulations consistent with the
 29 provisions of this section as deemed necessary for its proper administration, pursuant to the
 30 provisions of this section and this chapter. Any rule or portion of a rule, as that term is defined in
 31 section 536.010, that is created under the authority delegated in this section shall become effective
 32 only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,
 33 section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested
 34 with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
 35 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
 36 authority and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

37 86.200. The following words and phrases as used in sections 86.200 to 86.366, unless a
 38 different meaning is plainly required by the context, shall have the following meanings:

1 (1) "Accumulated contributions", the sum of all mandatory contributions deducted from the
2 compensation of a member and credited to the member's individual account, together with members'
3 interest thereon;

4 (2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of
5 mortality tables and interest assumptions adopted by the board of trustees;

6 (3) "Average final compensation":
7

8 (a) With respect to a member who earns no creditable service on or after October 1, 2001,
9 the average earnable compensation of the member during the member's last three years of creditable
10 service as a police officer, or if the member has had less than three years of creditable service, the
11 average earnable compensation of the member's entire period of creditable service;

12 (b) With respect to a member who is not participating in the DROP pursuant to section
13 86.251 on October 1, 2001, who did not participate in the DROP at any time before such date, and
14 who earns any creditable service on or after October 1, 2001, the average earnable compensation of
15 the member during the member's last two years of creditable service as a policeman, or if the
16 member has had less than two years of creditable service, then the average earnable compensation
17 of the member's entire period of creditable service;

18 (c) With respect to a member who is participating in the DROP pursuant to section 86.251
19 on October 1, 2001, or whose participation in DROP ended before such date, who returns to active
20 participation in the system pursuant to section 86.251, and who terminates employment as a police
21 officer for reasons other than death or disability before earning at least two years of creditable
22 service after such return, the portion of the member's benefit attributable to creditable service earned
23 before DROP entry shall be determined using average final compensation as defined in paragraph
24 (a) of this subdivision; and the portion of the member's benefit attributable to creditable service
25 earned after return to active participation in the system shall be determined using average final
26 compensation as defined in paragraph (b) of this subdivision;

27 (d) With respect to a member who is participating in the DROP pursuant to section 86.251
28 on October 1, 2001, or whose participation in the DROP ended before such date, who returns to
29 active participation in the system pursuant to section 86.251, and who terminates employment as a
30 police officer after earning at least two years of creditable service after such return, the member's
31 benefit attributable to all of such member's creditable service shall be determined using the
32 member's average final compensation as defined in paragraph (b) of this subdivision;

33 (e) With respect to a member who is participating in the DROP pursuant to section 86.251
34 on October 1, 2001, or whose participation in DROP ended before such date, who returns to active
35 participation in the system pursuant to section 86.251, and whose employment as a police officer
36 terminates due to death or disability after such return, the member's benefit attributable to all of such
37 member's creditable service shall be determined using the member's average final compensation as
38 defined in paragraph (b) of this subdivision; and

39 (f) With respect to the surviving spouse or surviving dependent child of a member who
earns any creditable service on or after October 1, 2001, the average earnable compensation of the

1 member during the member's last two years of creditable service as a police officer or, if the
 2 member has had less than two years of creditable service, the average earnable compensation of the
 3 member's entire period of creditable service;

4 (4) "Beneficiary", any person in receipt of a retirement allowance or other benefit;

5 (5) "Board of trustees", the board provided in sections 86.200 to 86.366 to administer the
 6 retirement system;

7 (6) "Creditable service", prior service plus membership service as provided in sections
 8 86.200 to 86.366;

9 (7) "DROP", the deferred retirement option plan provided for in section 86.251;

10 (8) "Earnable compensation", the annual salary ~~[established under section 84.160 which]~~ a
 11 member would earn during one year on the basis of the member's rank or position, plus any
 12 additional compensation for academic work and shift differential, that ~~[may be provided]~~ is set by
 13 any state or municipal body or official ~~[or board]~~ now or hereafter authorized by law to employ and
 14 manage a permanent police force in such cities. Such amount shall include the member's deferrals
 15 to a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code or to a
 16 cafeteria plan pursuant to Section 125 of the Internal Revenue Code or, effective October 1, 2001, to
 17 a transportation fringe benefit program pursuant to Section 132(f)(4) of the Internal Revenue Code.
 18 The term "earnable compensation" shall not include a member's additional compensation for
 19 overtime, standby time, court time, nonuniform time or unused vacation time. Further, the term
 20 "earnable compensation" shall not include any funds received by a member through a judgment or
 21 settlement of a legal action or claim made or threatened by the member against any city not within a
 22 county if the funds are intended to retroactively compensate the member for the salary differential
 23 between the member's actual rank and the rank the member claims he or she should have received.
 24 Notwithstanding the foregoing, the earnable compensation taken into account under the plan
 25 established pursuant to sections 86.200 to 86.366 with respect to a member who is a noneligible
 26 participant, as defined in this subdivision, for any plan year beginning on or after October 1, 1996,
 27 shall not exceed the amount of compensation that may be taken into account under Section
 28 401(a)(17) of the Internal Revenue Code, as adjusted for increases in the cost of living, for such plan
 29 year. For purposes of this subdivision, a "noneligible participant" is an individual who first becomes
 30 a member on or after the first day of the first plan year beginning after the earlier of:

31 (a) The last day of the plan year that includes August 28, 1995; or

32 (b) December 31, 1995;

33 (9) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as amended;

34 (10) "Mandatory contributions", the contributions required to be deducted from the salary of
 35 each member who is not participating in DROP in accordance with section 86.320;

36 (11) "Medical board", the health care organization appointed by the trustees of the police
 37 retirement board and responsible for arranging and passing upon all medical examinations required
 38 under the provisions of sections 86.200 to 86.366, which shall investigate all essential statements

1 and certificates made by or on behalf of a member in connection with an application for disability
2 retirement and shall report in writing to the board of trustees its conclusions and recommendations;

3 (12) "Member", a member of the retirement system as defined by sections 86.200 to 86.366;

4 (13) "Members' interest", interest on accumulated contributions at such rate as may be set
5 from time to time by the board of trustees;

6 (14) "Membership service", service as a policeman rendered since last becoming a member,
7 except in the case of a member who has served in the Armed Forces of the United States and has
8 subsequently been reinstated as a policeman, in which case "membership service" means service as
9 a policeman rendered since last becoming a member prior to entering such armed service;

10 (15) "Plan year" or "limitation year", the twelve consecutive-month period beginning each
11 October first and ending each September thirtieth;

12 (16) "Policeman" or "police officer", any member of the police force of such cities who
13 holds a rank in such police force;

14 (17) "Prior service", all service as a policeman rendered prior to the date the system
15 becomes operative or prior to membership service which is creditable in accordance with the
16 provisions of sections 86.200 to 86.366;

17 (18) "Reserve officer", any member of the police reserve force of such cities, armed or
18 unarmed, who works less than full time, without compensation, and who, by his or her assigned
19 function or as implied by his or her uniform, performs duties associated with those of a police
20 officer and who currently receives a service retirement as provided by sections 86.200 to 86.366;

21 (19) "Retirement allowance", annual payments for life as provided by sections 86.200 to
22 86.366 which shall be payable in equal monthly installments or any benefits in lieu thereof granted
23 to a member upon termination of employment as a police officer and actual retirement;

24 (20) "Retirement system", the police retirement system of the cities as defined in sections
25 86.200 to 86.366;

26 (21) "Surviving spouse", the surviving spouse of a member who was the member's spouse at
27 the time of the member's death."; and

28
29 Further amend said bill, Page 6, Section 87.145, Line 15, by inserting after all of said section and
30 line the following:

31
32 "87.155. 1. The board of trustees shall keep in convenient form such data as is necessary for
33 actuarial valuation of the funds of the retirement system and for checking the experience of the
34 system.

35 2. The board of trustees shall keep a record of all its proceedings which shall be open to
36 public inspection. It shall publish annually a report showing the fiscal transactions of the retirement
37 system for the preceding fiscal year, the amount of the accumulated cash and securities of the
38 system, and the last balance sheet showing the financial condition of the system by means of an
39 actuarial valuation of the assets and liabilities of the retirement system.

1 3. To the extent the board of trustees administers a pension plan other than the retirement
2 system, the board of trustees shall maintain separate records of all proceedings of such other pension
3 plan."; and
4

5 Further amend said bill, Page 7, Section 87.260, Line 20, by inserting after all of said section and
6 line the following:
7

8 "87.350. The expense fund shall be the fund to which shall be credited all money provided
9 to pay the administration expenses of the retirement system and from which shall be paid all the
10 expenses necessary in connection with the administration and operation of the system. Annually the
11 board of trustees shall estimate the amount of money necessary to be paid into the expense fund
12 during the ensuing year to provide for the expense of operation of the retirement system. Such
13 estimate shall be provided by the board of trustees from interest and other earnings on assets of the
14 retirement system. In no event shall any expenses, including administrative expenses, incurred by
15 the board of trustees in the administration of any pension plan other than the retirement system or in
16 the investment of any funds of any pension plan other than the retirement system be paid from the
17 funds of the retirement system. Such expenses shall be paid entirely from the funds of the other
18 pension plan.

19 105.688. The assets of a system may be invested, reinvested and managed by an investment
20 fiduciary subject to the terms, conditions and limitations provided in sections 105.687 to 105.689.
21 An investment fiduciary shall discharge his or her duties in the interest of the participants in the
22 system and their beneficiaries and shall:

23 (1) Act with the same care, skill, prudence, and diligence under the circumstances then
24 prevailing that a prudent person acting in a similar capacity and familiar with those matters would
25 use in the conduct of a similar enterprise with similar aims;

26 (2) Act with due regard for the management, reputation, and stability of the issuer and the
27 character of the particular investments being considered;

28 (3) Make investments for the purposes of providing benefits to participants and participants'
29 beneficiaries, and of defraying reasonable expenses of investing the assets of the system;

30 (4) Give appropriate consideration to those facts and circumstances that the investment
31 fiduciary knows or should know are relevant to the particular investment or investment course of
32 action involved, including the role of the investment or investment course of action plays in that
33 portion of the system's investments for which the investment fiduciary has responsibility. For
34 purposes of this subdivision, "appropriate consideration" shall include, but is not necessarily limited
35 to a determination by the investment fiduciary that a particular investment or investment course of
36 action is reasonably designed, as part of the investments of the system, to further the purposes of the
37 system, taking into consideration the risk of loss and the opportunity for gain or other return
38 associated with the investment or investment course of action; and consideration of the following
39 factors as they relate to the investment or investment course of action:

- 1 (a) The diversification of the investments of the system;
- 2 (b) The liquidity and current return of the investments of the system relative to the
- 3 anticipated cash flow requirements of the system; and
- 4 (c) The projected return of the investments of the system relative to the funding objectives
- 5 of the system;
- 6 (5) Give appropriate consideration to investments which would enhance the general welfare
- 7 of this state and its citizens if those investments offer the safety and rate of return comparable to
- 8 other investments available to the investment fiduciary at the time the investment decision is made;
- 9 (6) Not be prohibited from closing records to the extent that such records relate to
- 10 information submitted by an individual, corporation, or other business entity in connection with
- 11 investments in or financial transactions with business entities for investment purposes;
- 12 (7) Not consider environmental, social, or governance characteristics in a manner that would
- 13 override his or her fiduciary duties as defined in this section;
- 14 (8) Not be subject to any legislative, regulatory, or other mandates to invest with
- 15 environmentally, socially, or other noneconomically motivated influence unless they are consistent
- 16 with the fiduciary's responsibility as provided in this section or as provided in the system's
- 17 governing statutes with respect to the investment of system assets or other duties imposed by law
- 18 relating to the investment, management, deposit, or custody of system assets; and
- 19 (9) Not be subject to any legislative, regulatory, or other mandates for divestment from any
- 20 indirect holdings in actively or passively managed investment funds or in private assets.
- 21 105.692. 1. All shares of common stock held directly by a system, as defined under section
- 22 105.687, shall be voted solely in the economic interest of plan participants. Voting shares for the
- 23 purposes of furthering noneconomic environmental, social, political, ideological, or other goals is
- 24 prohibited.
- 25 2. A system shall vote all proxies associated with its directly held shares of common stock
- 26 by one of the following methods:
- 27 (1) By internal system staff; or
- 28 (2) By an investment manager or proxy voting service provider who has committed in
- 29 writing to vote the shares pursuant to proxy voting guidelines chosen by the system or has
- 30 committed in writing to vote the shares in a manner consistent with the obligation to act solely in the
- 31 economic interest of plan participants.
- 32 105.693. 1. As used in this section, the following terms mean:
- 33 (1) "Board", the governing board or decision-making body of a system that is authorized by
- 34 law to administer the system;
- 35 (2) "Control":
- 36 (a) The same meaning as such term is defined in the Investment Company Act of 1940, 15
- 37 U.S.C. Section 80a-2(a); or
- 38 (b) Involvement in an entity's governance structure, monitoring, or internal human resources
- 39 decisions consistent with the objectives set out in the Opinion on Strengthening the United Front

1 Work of the Private Economy in the New Era issued by the General Office of the Central Committee
2 of the Chinese Communist Party (2020) or a successor or similar document;

3 (3) "Divest", a sale, redemption, replacement, or any other activity that terminates an
4 investment;

5 (4) "Fund", the retirement benefit fund of a system;

6 (5) "Investment", any investment, as such term is defined in section 105.687, that the board
7 or system is authorized to make;

8 (6) "Person", an individual or entity;

9 (7) "Restricted entity", the following, including wholly-owned subsidiaries, majority-owned
10 subsidiaries, parent companies, and affiliates that exist for profit-making purposes;

11 (a) Any person, other than a U.S. person, as the term "U.S. person" is defined in 15 CFR
12 772.1, that is identified for the People's Republic of China on the Entity List, Supplement No. 4 to
13 15 CFR Part 744, as a person reasonably believed to be involved, or to pose a significant risk of
14 being or becoming involved, in activities contrary to the national security or foreign policy interests
15 of the United States until the End-User Review Committee of the Bureau of Industry and Security in
16 the United States Department of Commerce determines that the person no longer meets that criteria
17 and removes the person from the list;

18 (b) Any person that:

19 a. The United States Secretary of Defense has listed as a Communist Chinese military
20 company operating directly or indirectly in the United States or in any of its territories or
21 possessions under Section 1237 of the Strom Thurmond National Defense Authorization Act of
22 Fiscal Year 1999, P.L. 105-261, as amended by Section 1233 of P.L. 106-398 and Section 1222 of
23 P.L. 108-375, 50 U.S.C. Section 1701 note, until such time as the United States Secretary of Defense
24 removes the person from such list;

25 b. The United States Secretary of Defense, in consultation with the United States Secretary
26 of the Treasury, determines is a Communist Chinese military company operating directly or
27 indirectly in the United States or in any of its territories or possessions and therefore lists as such
28 under Section 1237 of the Strom Thurmond National Defense Authorization Act of Fiscal Year
29 1999, P.L. 105-261, as amended by Section 1233 of P.L. 106-398 and Section 1222 of P.L. 108-375,
30 50 U.S.C. Section 1701 note, until such time as the United States Secretary of Defense removes the
31 person from such list; or

32 c. The United States Secretary of the Treasury publicly lists as meeting the criteria in
33 Section 1237(b)(4)(B) of the Strom Thurmond National Defense Authorization Act of Fiscal Year
34 1999, P.L. 105-261, as amended by Section 1222 of P.L. 108-375, 50 U.S.C. Section 1701 note, or
35 publicly lists as a subsidiary of a person already determined to be a Communist Chinese military
36 company, until the United States Secretary of the Treasury determines that the person no longer
37 meets that criteria and removes the person from such list;

38 (c) Any organization or citizen that is identified by the appropriate government agencies to
39 be required by the National Intelligence Law of the People's Republic of China (2017), as amended

1 in 2018, or any successor to support, assist, and cooperate with the state intelligence work of the
 2 People's Republic of China and keep the secrets of the national intelligence work of the People's
 3 Republic of China; or

4 (d) Any person that is listed on the Specially Designated Nationals and Blocked Persons
 5 List published by the Office of Foreign Assets Control of United States Department of the Treasury;

6 (8) "Restricted investment product", an investment product that:

7 (a) Is managed by one or more persons:

8 a. That are not employed by the system; and

9 b. In which the system on behalf of the fund owns investments together with investors other
 10 than the system; and

11 (b) Holds investments in a restricted entity;

12 (9) "System", any state or local public retirement system or plan established by the state or
 13 any political subdivision or instrumentality of the state for the purpose of providing plan benefits for
 14 elected or appointed public officials or employees of the state or any political subdivision or
 15 instrumentality of the state.

16 2. After August 28, 2025, a system shall not knowingly invest in a restricted entity or a
 17 restricted investment product and shall divest any investment that the system has on behalf of a fund
 18 in accordance with this section.

19 3. Before December 1, 2025, and at least annually on or before December first of each
 20 subsequent year, the board shall make a good faith effort to identify all restricted entities and
 21 restricted investment products in which the system holds an investment. The board may use an
 22 independent research firm to assist the board.

23 4. (1) If the board determines after a review under subsection 3 of this section that the
 24 system has investments in a restricted entity or a restricted investment product, the board shall
 25 establish a plan to divest the investment and complete the divestment as soon as financially prudent.
 26 Except as provided in subdivision (2) of this subsection, the investment shall be divested no later
 27 than August 28, 2026.

28 (2) The investment may be divested after August 28, 2026, but shall be divested no later
 29 than August 28, 2028, if the board finds that the following conditions exist:

30 (a) The divestment of the investment by August 28, 2026, would result in the system
 31 incurring aggregate transaction costs in excess of five hundred thousand dollars;

32 (b) The selling of global public equity interests would result in a loss on secondary markets;
 33 or

34 (c) The divestment of the investment by August 28, 2026, would otherwise fail to comply
 35 with federal or state law or other legal obligations.

36 5. Prior to divesting any commingled fund required by this section in which the divestment
 37 would result in a realized loss, the staff of the system shall notify the board and if, within two
 38 business days, a majority of the trustees of the board object, no further action shall be taken until a
 39 special or regular meeting of the board.

1 6. The board shall determine whether to cease or defer divestment in the entity or product
 2 initiated under this section and resume investment in the entity or product during any period in
 3 which the entity or product has not returned to being a restricted entity or restricted investment
 4 product if any of the following conditions are met:

5 (1) The entity or product meets or exceeds the rules and standards of the Public Company
 6 Accounting Oversight Board and the Sarbanes-Oxley Act of 2002, P.L. 107-204, 116 Stat. 745; or

7 (2) The board determines that a fund has holdings in a passively managed commingled fund
 8 that includes a restricted entity and the estimated cost of divestment of the commingled fund is
 9 greater than ten percent of the total value of the restricted entities held in the commingled fund.

10 7. (1) On or before December 31, 2025, and annually on or before December thirty-first of
 11 each subsequent year, the board shall submit a report to the general assembly.

12 (2) The report shall include at least the following information, as of the date of the report:

13 (a) A copy of the restricted entity list;

14 (b) All publicly traded securities sold, redeemed, divested, or withdrawn in compliance with
 15 this section;

16 (c) All commingled funds that are exempted from divestment under subsection 5 or 6 of this
 17 section; and

18 (d) Any progress made under subsection 6 of this section.

19 8. With respect to actions taken in compliance with this section, including all good faith
 20 determinations regarding restricted entities and restricted investment products, the board and the
 21 system are exempt from any conflicting statutory or common law obligations, including any
 22 obligations with respect to choice of asset managers, investment fiduciaries, investment funds, or
 23 investments for fund investment portfolios.

24 9. The state and any political subdivision of the state; its officers, agents, and employees;
 25 and the board and employees of a system shall be immune from civil liability for any act or
 26 omission related to the removal of an asset from a fund under this section and are entitled to
 27 indemnification from the system for all losses, costs, and expenses, including reasonable attorney's
 28 fees, associated with defending against any claim or suit relating to an act authorized under this
 29 section.

30 10. (1) Notwithstanding any provision of law to the contrary, the provisions of this section
 31 do not apply to investments in private market funds.

32 (2) Notwithstanding any provision of law to the contrary, the provisions of this section do
 33 not apply to indirect holdings in actively managed investment funds.

34 (3) If a manager or investment fiduciary creates a similar actively managed investment fund
 35 without the restricted entities, the board shall replace all applicable investments with the
 36 investments in the similar actively managed investment fund within a period consistent with prudent
 37 investing standards.

38 143.124. 1. Other provisions of law to the contrary notwithstanding, for tax years ending on
 39 or before December 31, 2006, the total amount of all annuities, pensions, or retirement allowances

1 above the amount of six thousand dollars annually provided by any law of this state, the United
 2 States, or any other state to any person except as provided in subsection 4 of this section, shall be
 3 subject to tax pursuant to the provisions of this chapter, in the same manner, to the same extent and
 4 under the same conditions as any other taxable income received by the person receiving it. For
 5 purposes of this section, "annuity, pension, retirement benefit, or retirement allowance" shall be
 6 defined as an annuity, pension or retirement allowance provided by the United States, this state, any
 7 other state or any political subdivision or agency or institution of this or any other state. For all tax
 8 years beginning on or after January 1, 1998, for purposes of this section, annuity, pension or
 9 retirement allowance shall be defined to include 401(k) plans, deferred compensation plans, self-
 10 employed retirement plans, also known as Keogh plans, annuities from a defined pension plan and
 11 individual retirement arrangements, also known as IRAs, as described in the Internal Revenue Code,
 12 but not including Roth IRAs, as well as an annuity, pension or retirement allowance provided by the
 13 United States, this state, any other state or any political subdivision or agency or institution of this or
 14 any other state. An individual taxpayer shall only be allowed a maximum deduction equal to the
 15 amounts provided under this section for each taxpayer on the combined return.

16 2. For the period beginning July 1, 1989, and ending December 31, 1989, there shall be
 17 subtracted from Missouri adjusted gross income for that period, determined pursuant to section
 18 143.121, the first three thousand dollars of retirement benefits received by each taxpayer:

19 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and
 20 the taxpayer's Missouri adjusted gross income is less than twelve thousand five hundred dollars; or

21 (2) If the taxpayer's filing status is married filing combined and their combined Missouri
 22 adjusted gross income is less than sixteen thousand dollars; or

23 (3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri
 24 adjusted gross income is less than eight thousand dollars.

25 3. ~~[For the tax years beginning on or after January 1, 1990, but ending on or before~~
 26 ~~December 31, 2006,]~~ There shall be subtracted from Missouri adjusted gross income, determined
 27 pursuant to section 143.121, ~~[a maximum of the first six thousand dollars of retirement benefits~~
 28 ~~received by each taxpayer from sources other than privately funded sources, and for tax years~~
 29 ~~beginning on or after January 1, 1998, there shall be subtracted from Missouri adjusted gross~~
 30 ~~income, determined pursuant to section 143.121, a maximum of the first one thousand dollars of any~~
 31 ~~retirement allowance received from any privately funded source for tax years beginning on or after~~
 32 ~~January 1, 1998, but before January 1, 1999, and a maximum of the first three thousand dollars of~~
 33 ~~any retirement allowance received from any privately funded source for tax years beginning on or~~
 34 ~~after January 1, 1999, but before January 1, 2000, and a maximum of the first four thousand dollars~~
 35 ~~of any retirement allowance received from any privately funded source for tax years beginning on or~~
 36 ~~after January 1, 2000, but before January 1, 2001, and a maximum of the first five thousand dollars~~
 37 ~~of any retirement allowance received from any privately funded source for tax years beginning on or~~
 38 ~~after January 1, 2001, but before January 1, 2002, and]~~ a maximum of the first six thousand dollars
 39 of any retirement allowance received by each taxpayer from any privately funded sources for tax

1 years beginning on or after January 1, 2002, but before January 1, 2026, and a maximum of the first
2 twelve thousand dollars of any retirement allowance received from any privately funded sources for
3 tax years beginning on or after January 1, 2026. A taxpayer shall be entitled to the maximum
4 exemption provided by this subsection:

5 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and
6 the taxpayer's Missouri adjusted gross income is less than twenty-five thousand dollars for all tax
7 years ending on or before December 31, 2025, and less than fifty thousand dollars for all tax years
8 beginning on or after January 1, 2026; or

9 (2) If the taxpayer's filing status is married filing combined and their combined Missouri
10 adjusted gross income is less than thirty-two thousand dollars for all tax years ending on or before
11 December 31, 2025, and less than sixty-four thousand dollars for all tax years beginning on or after
12 January 1, 2026; or

13 (3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri
14 adjusted gross income is less than sixteen thousand dollars for all tax years ending on or before
15 December 31, 2025, and less than thirty-two thousand six hundred dollars for all tax years beginning
16 on or after January 1, 2026.

17 4. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such
18 taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection 3 of this section,
19 such taxpayer shall be entitled to an exemption equal to the greater of zero or the maximum
20 exemption provided in subsection 3 of this section reduced by one dollar for every dollar such
21 taxpayer's income exceeds the ceiling for his or her filing status.

22 5. For purposes of this subsection, the term "maximum Social Security benefit available"
23 shall mean thirty-two thousand five hundred dollars for the tax year beginning on or after January 1,
24 2007, and for each subsequent tax year such amount shall be increased by the percentage increase in
25 the Consumer Price Index for All Urban Consumers, or its successor index, as such index is defined
26 and officially reported by the United States Department of Labor, or its successor agency. For the
27 tax year beginning on or after January 1, 2007, but ending on or before December 31, 2007, there
28 shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a
29 maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received
30 from sources other than privately funded sources, to the extent such benefits are included in the
31 taxpayer's federal adjusted gross income; or twenty percent of the retirement benefits received from
32 sources other than privately funded sources in the tax year, but not to exceed the maximum Social
33 Security benefit available for such tax year. For the tax year beginning on or after January 1, 2008,
34 but ending on or before December 31, 2008, there shall be subtracted from Missouri adjusted gross
35 income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of:
36 six thousand dollars in retirement benefits received from sources other than privately funded
37 sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or
38 thirty-five percent of the retirement benefits received from sources other than privately funded
39 sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax

year. For the tax year beginning on or after January 1, 2009, but ending on or before December 31, 2009, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or fifty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2010, but ending on or before December 31, 2010, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or sixty-five percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2011, but ending on or before December 31, 2011, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or eighty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For all tax years beginning on or after January 1, 2012, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to one hundred percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For all tax years beginning on or before December 31, 2023, a taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is married filing combined, and their combined Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

(2) If the taxpayer's filing status is single, head of household, qualifying widow(er), or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or less than eighty-five thousand dollars.

For all tax years beginning on or after January 1, 2024, a taxpayer shall be entitled to the maximum exemption provided by this subsection regardless of the taxpayer's filing status or the amount of the taxpayer's Missouri adjusted gross income.

6. For all tax years beginning on or before December 31, 2023, if a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1) and (2) of subsection 5 of this section, such taxpayer shall be entitled to an exemption, less any applicable reduction provided under subsection 7 of this section, equal to the

1 greater of zero or the maximum exemption provided in subsection 5 of this section reduced by one
2 dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

3 7. For purposes of calculating the subtraction provided in subsection 5 of this section, such
4 subtraction shall be decreased by an amount equal to any Social Security benefit exemption
5 provided under section 143.125.

6 8. For purposes of this section, any Social Security benefits otherwise included in Missouri
7 adjusted gross income shall be subtracted; but Social Security benefits shall not be subtracted for
8 purposes of other computations pursuant to this chapter, and are not to be considered as retirement
9 benefits for purposes of this section.

10 9. The provisions of subdivisions (1) and (2) of subsection 3 of this section shall apply
11 during all tax years in which the federal Internal Revenue Code provides exemption levels for
12 calculation of the taxability of Social Security benefits that are the same as the levels in subdivisions
13 (1) and (2) of subsection 3 of this section. If the exemption levels for the calculation of the
14 taxability of Social Security benefits are adjusted by applicable federal law or regulation, the
15 exemption levels in subdivisions (1) and (2) of subsection 3 of this section shall be accordingly
16 adjusted to the same exemption levels.

17 10. The portion of a taxpayer's lump sum distribution from an annuity or other retirement
18 plan not otherwise included in Missouri adjusted gross income as calculated pursuant to this chapter
19 but subject to taxation under Internal Revenue Code Section 402 shall be taxed in an amount equal
20 to ten percent of the taxpayer's federal liability on such distribution for the same tax year.

21 11. For purposes of this section, retirement benefits received shall not include any
22 withdrawals from qualified retirement plans which are subsequently rolled over into another
23 retirement plan.

24 12. The exemptions provided for in this section shall not affect the calculation of the income
25 to be used to determine the property tax credit provided in sections 135.010 to 135.035.

26 13. The exemptions provided for in this section shall apply to any annuity, pension, or
27 retirement allowance as defined in subsection 1 of this section to the extent that such amounts are
28 included in the taxpayer's federal adjusted gross income and not otherwise deducted from the
29 taxpayer's federal adjusted gross income in the calculation of Missouri taxable income. This
30 subsection shall not apply to any individual who qualifies under federal guidelines to be one
31 hundred percent disabled."; and

32
33 Further amend said bill by amending the title, enacting clause, and intersectional references
34 accordingly.