

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

Offered By

1 AMEND House Committee Substitute for House Bill No. 558, Page 5, Section 57.967, Line 24,  
2 by inserting after all of said section and line the following:

3  
4 "169.490. 1. All the assets of the retirement system shall be held as one fund.

5 2. (1) For any member hired before January 1, 2018, the employing board shall cause to be  
6 deducted from the compensation of each member at every payroll period five percent of his or her  
7 compensation.

8 (2) Beginning January 1, 2018, the percentage in subdivision (1) of this subsection shall  
9 increase one-half of one percent annually until such time as the percentage equals nine percent.

10 (3) For any member hired for the first time on or after January 1, 2018, the employing board  
11 shall cause to be deducted from the compensation of each member at every payroll period nine  
12 percent of such member's compensation.

13 (4) The amounts so deducted shall be transferred to the board of trustees and credited to the  
14 individual account of each member from whose compensation the deduction was made. In  
15 determining the amount earnable by a member in any payroll period, the board of trustees may  
16 consider the rate of earnable compensation payable to such member on the first day of the payroll  
17 period as continuing throughout such payroll period; it may omit deduction from compensation for  
18 any period less than a full payroll period if the employee was not a member on the first day of the  
19 payroll period; and to facilitate the making of the deductions, it may modify the deduction required  
20 of any member by such amount as shall not exceed one-tenth of one percent of the compensation  
21 upon the basis of which such deduction was made.

22 (5) The deductions provided for herein are declared to be a part of the salary of the member  
23 and the making of such deductions shall constitute payments by the member out of his or her salary  
24 or earnings and such deductions shall be made notwithstanding that the minimum compensation  
25 provided by law for any member shall be reduced thereby. Every member shall be deemed to  
26 consent to the deductions made and provided for herein, and shall receipt for his or her full salary or  
27 compensation, and the making of said deductions and the payment of salary or compensation less  
28 said deduction shall be a full and complete discharge and acquittance of all claims and demands  
29 whatsoever for services rendered during the period covered by the payment except as to benefits  
30 provided by sections 169.410 to 169.540.

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

(6) The employing board may elect to pay member contributions required by this section as an employer pick up of employee contributions under Section 414(h)(2) of the Internal Revenue Code of 1986, as amended, and such contributions picked up by the employing board shall be treated as contributions made by members for all purposes of sections 169.410 to 169.540.

3. If a retired member receiving a pension pursuant to sections 169.410 to 169.540 is restored to active service and again becomes an active member of the retirement system, there shall be credited to his or her individual account an amount equal to the excess, if any, of his or her accumulated contributions at retirement over the total pension benefits paid to him or her.

4. Annually, the actuary for the retirement system shall calculate each employer's contribution as an amount equal to a certain percentage of the total compensation of all members employed by that employer. The percentage shall be fixed on the basis of the liabilities of the retirement system as shown by the annual actuarial valuation. The annual actuarial valuation shall be made on the basis of such actuarial assumptions and the actuarial cost method adopted by the board of trustees, provided that the actuarial cost method adopted shall be in accordance with generally accepted actuarial standards and that the unfunded actuarial accrued liability, if any, shall be amortized by level annual payments over a period not to exceed thirty years. The provisions of this subsection shall expire on December 31, 2017; thereafter subsection 5 of this section shall apply.

5. (1) For calendar year 2018, the rate of contribution payable by each employer shall equal sixteen percent of the total compensation of all members employed by that employer. For each calendar year thereafter, the percentage rate of contribution payable by each employer of the total compensation of all members employed by that employer shall decrease one-half of one percent annually until calendar year ~~[2032]~~ 2025 when the rate of contribution payable by each employer shall equal ~~[nine]~~ twelve and one-half percent of the total compensation of all members employed by that employer~~[- For subsequent calendar years after 2032], except as provided under subdivision (2) of this subsection.~~

(2) Beginning on the effective date of this section and for all subsequent calendar years after, the rate of contribution payable by each employer shall equal ~~[nine]~~ fourteen percent of the total compensation of all members employed by that employer.

6. The expense and contingency reserve shall be a reserve for investment contingencies and estimated expenses of administration of the retirement system as determined annually by the board of trustees.

7. Gifts, devises, bequests and legacies may be accepted by the board of trustees to be held and invested as a part of the assets of the retirement system and shall not be separately accounted for except where specific direction for the use of a gift is made by a donor."; and

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