

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

Offered By

1 AMEND House Bill No. 1085, Page 1, Section A, Line 2, by inserting after all of said section the  
2 following:

3 "169.324. 1. The annual service retirement allowance payable pursuant to section 169.320  
4 shall be the retirant's number of years of creditable service multiplied by a percentage of the retirant's  
5 average final compensation, determined as follows:

6 (1) A retirant whose last employment as a regular employee ended prior to June 30, 1999,  
7 shall receive an annual service retirement allowance payable pursuant to section 169.320 in equal  
8 monthly installments for life equal to the retirant's number of years of creditable service multiplied  
9 by one and three-fourths percent of the person's average final compensation, subject to a maximum  
10 of sixty percent of the person's average final compensation;

11 (2) A retirant whose number of years of creditable service is greater than thirty-four and  
12 one-quarter on August 28, 1993, shall receive an annual service retirement allowance payable  
13 pursuant to section 169.320 in equal monthly installments for life equal to the retirant's number of  
14 years of creditable service as of August 28, 1993, multiplied by one and three-fourths percent of the  
15 person's average final compensation but shall not receive a greater annual service retirement  
16 allowance based on additional years of creditable service after August 28, 1993;

17 (3) A retirant who was an active member of the retirement system at any time on or after  
18 June 30, 1999, and who either retires before January 1, 2014, or is a member of the retirement  
19 system on December 31, 2013, and remains a member continuously to retirement shall receive an  
20 annual service retirement allowance payable pursuant to section 169.320 in equal monthly  
21 installments for life equal to the retirant's number of years of creditable service multiplied by two  
22 percent of the person's average final compensation, subject to a maximum of sixty percent of the  
23 person's final compensation;

24 (4) A retirant who becomes a member of the retirement system on or after January 1, 2014,  
25 including any retirant who was a member of the retirement system before January 1, 2014, but  
26 ceased to be a member for any reason other than retirement, shall receive an annual service  
27 retirement allowance payable pursuant to section 169.320 in equal monthly installments for life  
28 equal to the retirant's number of years of creditable service multiplied by one and three-fourths  
29 percent of the person's average final compensation, subject to a maximum of sixty percent of the  
30 person's average final compensation;

31 (5) Notwithstanding the provisions of subdivisions (1) to (4) of this subsection, effective  
32 January 1, 1996, any retirant who retired on, before or after January 1, 1996, with at least twenty  
33 years of creditable service shall receive at least three hundred dollars each month as a retirement  
34 allowance, or the actuarial equivalent thereof if the retirant elected any of the options available under  
35 section 169.326. Any retirant who retired with at least ten years of creditable service shall receive at  
36 least one hundred fifty dollars each month as a retirement allowance, plus fifteen dollars for each

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

1 additional full year of creditable service greater than ten years but less than twenty years (or the  
2 actuarial equivalent thereof if the retirant elected any of the options available under section 169.326).  
3 Any beneficiary of a deceased retirant who retired with at least ten years of creditable service and  
4 elected one of the options available under section 169.326 shall also be entitled to the actuarial  
5 equivalent of the minimum benefit provided by this subsection, determined from the option chosen.

6 2. Except as otherwise provided in sections 169.331, 169.580 and 169.585, payment of a  
7 retirant's retirement allowance will be suspended for any month for which such person receives  
8 remuneration from the person's employer or from any other employer in the retirement system  
9 established by section 169.280 for the performance of services except any such person other than a  
10 person receiving a disability retirement allowance under section 169.322 may serve as a nonregular  
11 substitute, part-time or temporary employee for not more than six hundred hours in any school year  
12 without becoming a member and without having the person's retirement allowance discontinued,  
13 provided that through such substitute, part-time, or temporary employment, the person may earn no  
14 more than fifty percent of the annual salary or wages the person was last paid by the employer before  
15 the person retired and commenced receiving a retirement allowance, adjusted for inflation. If a  
16 person exceeds such hours limit or such compensation limit, payment of the person's retirement  
17 allowance shall be suspended for the month in which such limit was exceeded and each subsequent  
18 month in the school year for which the person receives remuneration from any employer in the  
19 retirement system. In addition to the conditions set forth above, this subsection shall apply to any  
20 person retired and currently receiving a retirement allowance under sections 169.270 to 169.400,  
21 other than for disability, who is employed by a third party or is performing work as an independent  
22 contractor if such person is performing work in a district included in the retirement system as a  
23 temporary or long-term substitute teacher or in any other position that would normally require that  
24 person to be duly certificated under the laws governing the certification of teachers in Missouri if  
25 such person was employed by the district. The retirement system may require the district, the  
26 third-party employer, the independent contractor, and the retiree subject to this subsection to provide  
27 documentation showing compliance with this subsection. If such documentation is not provided, the  
28 retirement system may deem the retiree to have exceeded the limitations provided in this subsection.  
29 If a retirant is reemployed by any employer in any capacity, whether pursuant to this section, or  
30 section 169.331, 169.580, or 169.585, or as a regular employee, the amount of such person's  
31 retirement allowance attributable to service prior to the person's first retirement date shall not be  
32 changed by the reemployment. If the person again becomes an active member and earns additional  
33 creditable service, upon the person's second retirement the person's retirement allowance shall be the  
34 sum of:

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

39 (2) An additional retirement allowance computed using the benefit formula in effect on the  
40 person's second retirement date, the person's creditable service following reemployment, and the  
41 person's average final annual compensation as of the second retirement date. The sum calculated  
42 pursuant to this subsection shall not exceed the greater of sixty percent of the person's average final  
43 compensation as of the second retirement date or the amount determined pursuant to subdivision (1)  
44 of this subsection. Compensation earned prior to the person's first retirement date shall be  
45 considered in determining the person's average final compensation as of the second retirement date if  
46 such compensation would otherwise be included in determining the person's average final  
47 compensation.

48 3. The board of trustees shall determine annually whether the investment return on funds of

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

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

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

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

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

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

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

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

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

40 6. Notwithstanding anything contained in this section to the contrary, the amount of the  
41 annual service retirement allowance payable to any retirant pursuant to the provisions of sections  
42 169.270 to 169.400, including any adjustments made pursuant to subsection 3 of this section, shall at  
43 all times comply with the provisions and limitations of Section 415 of the Internal Revenue Code of  
44 1986, as amended, and the regulations thereunder, the terms of which are specifically incorporated  
45 herein by reference.

46 7. All retirement systems established by the laws of the state of Missouri shall develop a  
47 procurement action plan for utilization of minority and women money managers, brokers and  
48 investment counselors. Such retirement systems shall report their progress annually to the joint

1 committee on public employee retirement and the governor's minority advocacy commission."  
2  
3  
4 Further amend said bill by amending the title, enacting clause, and intersectional references  
5 accordingly.  
6