

HCS SCS SB 300 -- PUBLIC RETIREMENT BENEFITS

SPONSOR: Silvey (Leara)

COMMITTEE ACTIONS: Voted "Do Pass with Amendments" by the Standing Committee on Pensions by a vote of 10 to 0. Voted "Do Pass with HCS" by the Select Committee on Financial Institutions and Taxation by a vote of 10 to 0.

This bill changes the laws regarding public retirement systems. In its main provisions, the bill:

ST. LOUIS POLICE RETIREMENT SYSTEM

The bill changes the laws regarding the disability determination process of the Police Retirement System of St. Louis. The bill eliminates the board of police commissioners and transfers its responsibilities to the chief of police. The definition of "medical board" is changed from the board of three physicians of different disciplines appointed by the trustees of the police retirement board and responsible for arranging and passing on all required medical examinations and investigations regarding an application for disability retirement to the health care organization appointed by the trustees with those responsibilities.

KANSAS CITY AND THE CIVILIAN EMPLOYEES' RETIREMENT SYSTEM OF THE POLICE DEPARTMENT OF KANSAS CITY

The bill changes the laws regarding the Police Retirement System of Kansas City and the Civilian Employees' Retirement System of the Police Department of Kansas City by allowing a nonspouse beneficiary to elect to directly rollover an eligible rollover distribution made on or after January 1, 2010, to a specified individual retirement account, individual retirement annuity, or Roth individual account in order to be compliant with the federal Internal Revenue Code.

The bill also changes the laws regarding credit for military service for a member of the Police Retirement System of Kansas City and the Civilian Employees' Retirement System of the Police Department of Kansas City. Currently, a member who is on leave of absence for military service must be entitled to service credit for the time spent in military service and must not be required to pay any member contributions for the time. The bill specifies that, on or after August 28, 2015, a member who returns to service from a leave of absence for active duty military service must be entitled to service credit for the time spent in the military service only to the extent the member pays any required contributions to the system for the time he or she was on leave of absence up to a total

of five years. The retirement board of each system may waive the required contributions for up to three years of creditable service if the member provides duty orders under Title 10 or Title 32 U.S.C. and discharge from active duty documentation in the form of a DD214 or NGB23.

PUBLIC SAFETY SALES TAX IN SPRINGFIELD

Currently, every five years the city of Springfield must submit to the voters the question of whether to repeal its public safety sales tax. The bill modifies the ballot language so that the question will be whether to continue the tax. Failure by the voters to approve continuation will result in a repeal of the tax.

KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM

The bill reduces the number of trustees elected by the members of the retirement system from four to three beginning at the election in 2016. Beginning at the election in 2016, one member will be a teacher or administrator of a charter school located in the Kansas City School District. This trustee will be elected for a term of four years by the members of the retirement system.

Currently, a retired teacher receiving an allowance from the Kansas City Public School Retirement System may work for a school district on a part-time or temporary-substitute basis for up to 600 hours in any one school year and earn up to 50% of the annual compensation the person was last paid by the employer before the person retired without a discontinuance of the person's retirement allowance.

The bill specifies that those provisions must apply to a person who is retired and currently receiving a retirement allowance under Sections 169.270 to 169.400, RSMo, other than for disability, who is employed by a third party or working as an independent contractor performing work in a district included in the retirement system as a temporary or long-term substitute teacher or in any other position that would normally require that person to be duly certificated under the laws governing the certification of teachers in Missouri if the person was employed by the district. The retirement system may require documentation from the parties involved showing compliance with this provision. If the documentation is not provided, the retirement system may deem the retiree to have exceeded the limitations.

PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

The bill modifies the composition of the board of trustees of the Public School Retirement System of the City of St. Louis and modifies the qualifications for the four trustees elected by and

from the active members. At least two trustees will be teachers, not more than one trustee will be a nonteacher, and beginning in 2016, one trustee will be a teacher or administrator of a charter school located in the St. Louis City School District.

PROPONENTS: Supporters say that the bill will allow nonspouse beneficiaries to elect a direct rollover of an eligible rollover distribution to be in compliance with federal law and that the bill changes the laws regarding credit for military service for a member of the Police Retirement System of Kansas City and the Civilian Employees' Retirement System of the Police Department of Kansas City. We have a lot of members that were in active duty and the cost has risen and this will help cover those costs.

Testifying for the bill were Senator Silvey; Kansas City Fraternal Order of Police; and James Pyle, Police Retirement Of Kansas City.

OPPONENTS: There was no opposition voiced to the committee.