

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 639, Page 9, Section 70.621, Line 24, by
2 inserting after all of said section and line the following:

3
4 "169.141. 1. Any person receiving a retirement allowance under sections 169.010 to
5 169.140, and who elected a reduced retirement allowance under subsection 3 of section 169.070
6 with his spouse as the nominated beneficiary, may nominate a successor beneficiary under either of
7 the following circumstances:

8 (1) If the nominated beneficiary precedes the retired person in death, the retired person may,
9 upon remarriage, nominate the new spouse under the same option elected in the application for
10 retirement;

11 (2) If the marriage of the retired person and the nominated beneficiary is dissolved, and if
12 the dissolution decree provides for sole retention by the retired person of all rights in the retirement
13 allowance, the retired person may, upon remarriage, nominate the new spouse under the same option
14 elected in the application for retirement.

15 2. Any nomination of a successor beneficiary under subdivision (1) or (2) of subsection 1 of
16 this section must be made in accordance with procedures established by the board of trustees, and
17 must be filed within ninety days of May 6, 1993, or within [ninety days] one year of the remarriage,
18 whichever later occurs. Upon receipt of a successor nomination filed in accordance with those
19 procedures, the board shall adjust the retirement allowance to reflect actuarial considerations of that
20 nomination as well as previous beneficiary and successor beneficiary nominations.

21 3. Any person receiving a retirement allowance under sections 169.010 to 169.140 who
22 elected a reduced retirement allowance under subsection 3 of section 169.070 with his or her spouse
23 as the nominated beneficiary may have the retirement allowance increased to the amount the retired
24 member would be receiving had the retired member elected option 1 if:

25 (1) The marriage of the retired person and the nominated spouse is dissolved on or after
26 September 1, 2016;

27 (2) If the dissolution decree provides for sole retention by the retired person of all rights in
28 the retirement allowance; and

29 (3) The person receives a retirement allowance under subsection 3 of section 169.070.

30
31 Any such increase in the retirement allowance shall be effective upon the receipt of an application
32 for such increase and a certified copy of the decree of dissolution that meets the requirements of this
33 section.

34 169.324. 1. The annual service retirement allowance payable pursuant to section 169.320
35 shall be the retirant's number of years of creditable service multiplied by a percentage of the
36 retirant's average final compensation, determined as follows:

Standing Action Taken _____ Date _____

Select Action Taken _____ Date _____

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

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

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

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

26 (5) Notwithstanding the provisions of subdivisions (1) to (4) of this subsection, effective
27 January 1, 1996, any retirant who retired on, before or after January 1, 1996, with at least twenty
28 years of creditable service shall receive at least three hundred dollars each month as a retirement
29 allowance, or the actuarial equivalent thereof if the retirant elected any of the options available
30 under section 169.326. Any retirant who retired with at least ten years of creditable service shall
31 receive at least one hundred fifty dollars each month as a retirement allowance, plus fifteen dollars
32 for each additional full year of creditable service greater than ten years but less than twenty years
33 (or the actuarial equivalent thereof if the retirant elected any of the options available under section
34 169.326). Any beneficiary of a deceased retirant who retired with at least ten years of creditable
35 service and elected one of the options available under section 169.326 shall also be entitled to the
36 actuarial equivalent of the minimum benefit provided by this subsection, determined from the
37 option chosen.

38 2. Except as otherwise provided in sections 169.331, 169.580 and 169.585, payment of a
39 retirant's retirement allowance will be suspended for any month for which such person receives
40 remuneration from the person's employer or from any other employer in the retirement system
41 established by section 169.280 for the performance of services except any such person other than a
42 person receiving a disability retirement allowance under section 169.322 may serve as a nonregular
43 substitute, part-time or temporary employee for not more than six hundred hours in any school year
44 without becoming a member and without having the person's retirement allowance discontinued,
45 provided that through such substitute, part-time, or temporary employment, the person may earn no
46 more than fifty percent of the annual salary or wages the person was last paid by the employer
47 before the person retired and commenced receiving a retirement allowance, adjusted for inflation. If
48 a person exceeds such hours limit or such compensation limit, payment of the person's retirement

allowance shall be suspended for the month in which such limit was exceeded and each subsequent month in the school year for which the person receives remuneration from any employer in the retirement system. In addition to the conditions set forth above, this subsection shall apply to any person retired and currently receiving a retirement allowance under sections 169.270 to 169.400, other than for disability, who is employed by a third party or is performing work as an independent contractor if such person is 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 such person was employed by the district. The retirement system may require the district, the third-party employer, the independent contractor, and the retiree subject to this subsection to provide documentation showing compliance with this subsection. If such documentation is not provided, the retirement system may deem the retiree to have exceeded the limitations provided in this subsection. If a retirant is reemployed by any employer in any capacity, whether pursuant to this section, or section 169.331, 169.580, or 169.585, or as a regular employee, the amount of such person's retirement allowance attributable to service prior to the person's first retirement date shall not be changed by the reemployment. If the person again becomes an active member and earns additional creditable service, upon the person's second retirement the person's retirement allowance shall be the sum of:

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

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

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

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

(a) The retirement system's funded ratio as of January first of the year preceding the year of a proposed increase shall be at least one hundred percent after adjusting for the effect of the

1 proposed increase. The funded ratio is the ratio of assets to the pension benefit obligation;

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

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

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

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

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

13 5. If an inactive member becomes an active member after June 30, 2001, and after a break
14 in service, unless the person earns at least four additional years of creditable service without another
15 break in service, upon retirement the person's retirement allowance shall be calculated separately for
16 each separate period of service ending in a break in service. The retirement allowance shall be the
17 sum of the separate retirement allowances computed for each such period of service using the
18 benefit formula in effect, the person's average final compensation as of the last day of such period of
19 service and the creditable service the person earned during such period of service; provided,
20 however, if the person earns at least four additional years of creditable service without another break
21 in service, all of the person's creditable service prior to and including such service shall be
22 aggregated and, upon retirement, the retirement allowance shall be computed using the benefit
23 formula in effect and the person's average final compensation as of the last day of such period of
24 four or more years and all of the creditable service the person earned prior to and during such
25 period.

26 6. Notwithstanding anything contained in this section to the contrary, the amount of the
27 annual service retirement allowance payable to any retirant pursuant to the provisions of sections
28 169.270 to 169.400, including any adjustments made pursuant to subsection 3 of this section, shall
29 at all times comply with the provisions and limitations of Section 415 of the Internal Revenue Code
30 of 1986, as amended, and the regulations thereunder, the terms of which are specifically
31 incorporated herein by reference.

32 7. All retirement systems established by the laws of the state of Missouri shall develop a
33 procurement action plan for utilization of minority and women money managers, brokers and
34 investment counselors. Such retirement systems shall report their progress annually to the joint
35 committee on public employee retirement and the governor's minority advocacy commission.

36 169.560. Any person retired and currently receiving a retirement allowance pursuant to
37 sections 169.010 to 169.141, other than for disability, may be employed in any capacity in a district
38 included in the retirement system created by those sections on either a part-time or temporary-
39 substitute basis not to exceed a total of five hundred fifty hours in any one school year, and through
40 such employment may earn up to fifty percent of the annual compensation payable under the
41 [employing] district's salary schedule for the position or positions filled by the retiree, given such
42 person's level of experience and education, without a discontinuance of the person's retirement
43 allowance. If the [employing] school district does not utilize a salary schedule, or if the position in
44 question is not subject to the [employing] district's salary schedule, a retiree employed in
45 accordance with the provisions of this section may earn up to fifty percent of the annual
46 compensation paid to the person or persons who last held such position or positions. If the position
47 or positions did not previously exist, the compensation limit shall be determined in accordance with
48 rules duly adopted by the board of trustees of the retirement system; provided that, it shall not

1 exceed fifty percent of the annual compensation payable for the position in the [employing] school
 2 district that is most comparable to the position filled by the retiree. In any case where a retiree fills
 3 more than one position during the school year, the fifty-percent limit on permitted earning shall be
 4 based solely on the annual compensation of the highest paid position occupied by the retiree for at
 5 least one-fifth of the total hours worked during the year. Such a person shall not contribute to the
 6 retirement system or to the public education employee retirement system established by sections
 7 169.600 to 169.715 because of earnings during such period of employment. If such a person is
 8 employed in any capacity by such a district [on a regular, full-time basis,] in excess of the
 9 limitations set forth in this section, the person shall not be eligible to receive the person's retirement
 10 allowance for any month during which the person is so employed. In addition, such person [and]
 11 shall contribute to the retirement system if the person satisfies the retirement system's membership
 12 eligibility requirements. In addition to the conditions set forth above, this section shall apply to any
 13 person retired and currently receiving a retirement allowance under sections 169.010 to 169.141,
 14 other than for disability, who is employed by a third party or is performing work as an independent
 15 contractor if such person is performing work in a district included in the retirement system as a
 16 temporary or long-term substitute teacher or in any other position that would normally require that
 17 person to be duly certificated under the laws governing the certification of teachers in Missouri if
 18 such person was employed by the district. The retirement system may require the district, the third-
 19 party employer, the independent contractor, and the retiree subject to this section to provide
 20 documentation showing compliance with this section. If such documentation is not provided, the
 21 retirement system may deem the retiree to have exceeded the limitations provided in this section.

22 169.715. 1. Any person receiving a retirement allowance under sections 169.600 to
 23 169.712, and who elected a reduced retirement allowance under subsection 4 of section 169.670
 24 with his spouse as the nominated beneficiary, may nominate a successor beneficiary under either of
 25 the following circumstances:

26 (1) If the nominated beneficiary precedes the retired person in death, the retired person may,
 27 upon remarriage, nominate the new spouse under the same option elected in the application for
 28 retirement;

29 (2) If the marriage of the retired person and the nominated beneficiary is dissolved, and if
 30 the dissolution decree provides for sole retention by the retired person of all rights in the retirement
 31 allowance, the retired person may, upon remarriage, nominate the new spouse under the same option
 32 elected in the application for retirement.

33 2. Any nomination of a successor beneficiary under subdivision (1) or (2) of subsection 1 of
 34 this section must be made in accordance with procedures established by the board of trustees, and
 35 must be filed within ninety days of May 6, 1993, or within [ninety days] one year of the remarriage,
 36 whichever later occurs. Upon receipt of a successor nomination filed in accordance with those
 37 procedures, the board shall adjust the retirement allowance to reflect actuarial considerations of that
 38 nomination as well as previous beneficiary and successor beneficiary nominations.

39 3. Any person receiving a retirement allowance under sections 169.600 to 169.715 who
 40 elected a reduced retirement allowance under subsection 4 of section 169.670 with his or her spouse
 41 as the nominated beneficiary may have the retirement allowance increased to the amount the retired
 42 member would be receiving had the retired member elected option 1 if:

43 (1) The marriage of the retired person and the nominated spouse is dissolved on or after
 44 September 1, 2016;

45 (2) If the dissolution decree provides for sole retention by the retired person of all rights in
 46 the retirement allowance; and

47 (3) The person receives a retirement allowance under subsection 4 of section 169.670.
 48

1 Any such increase in the retirement allowance shall be effective upon the receipt of an application
2 for such increase and a certified copy of the decree of dissolution that meets the requirements of this
3 section."; and
4

5
6 Further amend said bill by amending the title, enacting clause, and intersectional references
7 accordingly.