

HCS HB 257 -- TEACHER AND SCHOOL EMPLOYEE RETIREMENT SYSTEMS

SPONSOR: Pollitt

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Pensions by a vote of 8 to 0. Voted "Do Pass" by the Standing Committee on Rules- Regulatory Oversight" by a vote of 8 to 0.

The following is a summary of the House Committee Substitute for HB 257.

The bill modifies the Board membership of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System by having the terms of the active employee representatives serving on the Board on August 28, 2026, to continue an additional two years until June 30, 2028, and after such date all terms of elected active employee representatives shall be for four years beginning July 1, 2028, and every four years thereafter (Section 104.160, RSMo).

Current law provides that between July 1, 2001, and July 1, 2014, a member of Public School Retirement System of Missouri ("PSRS") with 31 years or more of service, regardless of age, be provided a retirement allowance with a multiplier of 2.55% of the member's final average salary for each year of the membership service. This bill modifies this provision by removing the expiration date and by providing that a member with 32 years or more of service may receive such retirement allowance (Section 169.070).

The bill modifies the current annual earning limit of 60% of the minimum teacher salary for any retired member of PSRS employed in a position covered under the Public Education Employee Retirement System of Missouri (PEERS). Beginning on August 28, 2023, and ending on June 30, 2028, the bill allows such teachers to earn up to 133% of the annual earnings limit applicable to a Social Security recipient before the calendar year of attainment of full retirement age under federal regulations. After June 30, 2028, such teachers may earn up to annual earnings exemption amount applicable to a Social Security retirement recipient before the calendar year of attainment of full retirement age under federal regulations, without a discontinuance of the person's retirement allowance from the retirement system. This does not apply to retired members currently receiving benefits who are employed as a full-time teacher of certain state agencies and institutions.

Additionally, current law provides that a retired teacher or a retired noncertificated employee who is receiving a retirement benefit from PSRS/PEERS is allowed to work full-time for up to two

years for a PSRS/PEERS-covered school district if there is a shortage of certified teachers or noncertificated employees. This bill allows employees to work full-time up to four years for the district. Furthermore, the number of retired teachers that currently may teach in a school district with a critical shortage shall not exceed, at any one time, the lesser of 10% of the teacher staff for that school district, or five teachers. This bill provides that the total number of retired teachers shall not exceed, at any one time, the greater of 1% of the total of teacher and non-certified staff for that school district, or five teachers (Sections 169.560 and 169.596).

This bill is the same as SB 75 (2023) and HCS for HB 496 (2023).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that the bill addresses the critical shortage for certified staff by increasing the current number of years staff can work in a PSRS/PEERS eligible position while receiving retirement from 2 years to 4 years. There is no negative impact based upon this bill. The bill allows five individuals to come back if there is a critical shortage regardless of the school size. However, for a larger jurisdiction the bill ties it to greater than 1% of the total certificated teachers and noncertificated staff for the school district. The bill has a viable solution for seasoned and good teachers to stay in the classroom.

Testifying in person for the bill were Representative Pollitt; Aligned; Missouri Retired Teachers Association and Public School Personnel; Missouri State Teachers Association; and Missouri National Education Association.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say there is no impact on the retirement systems per the fiscal note that has been submitted.

Testifying in person on the bill was the Public School and Education Employee Retirement Systems.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.