

FIRST REGULAR SESSION

# SENATE BILL NO. 503

92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATOR JACOB.

Read 1st time February 17, 2003, and 1,000 copies ordered printed.

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TERRY L. SPIELER, Secretary.

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## AN ACT

To repeal sections 169.010 and 169.030, RSMo, and to enact in lieu thereof four new sections relating to public school retirement systems.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 169.010 and 169.030, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 168.303, 169.010, 169.030, and 169.065, to read as follows:

**168.303. The state board of education shall adopt rules to facilitate job-sharing by classroom teachers, as the term "job-sharing" is defined in section 169.065, RSMo. These rules shall provide that a classroom teacher in a job-sharing position shall receive paid legal holidays, annual vacation leave, sick leave, and personal leave on a pro rata basis. Job-sharing positions shall not include certified instructional support personnel or certified school services personnel such as guidance counselors, media coordinators, psychologists, social workers, audiologists, speech and language pathologists, and nurses.**

169.010. The following words and phrases, as used in sections 169.010 to [169.130] **169.141**, unless a different meaning is plainly required by the context, shall have the following meanings:

(1) "Accumulated contributions" shall mean the sum of the annual contributions a member has made to the retirement system through deductions from the member's salary, plus

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

interest compounded annually on each year's contributions from the end of the school year during which such contributions were made;

(2) "Board" shall mean the board of trustees provided for in sections 169.010 to [169.130] **169.141;**

(3) "Creditable service" shall mean prior service or membership service, or the sum of the two, if the member has both to the member's credit;

(4) "District" shall mean public school, as herein defined;

(5) "Employ" shall have a meaning agreeable with that herein given to employer and employee;

(6) "Employee" shall be synonymous with the term "teacher" as the same is herein defined;

(7) "Employer" shall mean the district that makes payment directly to the teacher or employee for such person's services;

(8) "Final average salary" shall mean the total compensation payable to a member for any three consecutive years of creditable service, as elected by the member, divided by thirty-six; with the proviso that any annual compensation entering into the total compensation shall not exceed twelve thousand six hundred dollars for any year prior to July 1, 1967; and with the proviso that the board may set a maximum percentage of increase in annual compensation from one year to the next in the final average salary period;

(9) "Member" shall mean a person who holds membership in the retirement system;

(10) "Membership service" shall mean service rendered by a member of the retirement system after the system becomes operative, and may include a period of service in the armed forces of the United States as provided for in section 169.055;

(11) "Prior service" shall mean service rendered by a member of the retirement system before the system becomes operative, and may include service rendered by a member of the armed forces if the member was a teacher at the time the member was inducted, for which credit has been approved by the board of trustees;

(12) "Public school" shall mean any school conducted within the state under the authority and supervision of a duly elected district or city or town board of directors or board of education and the board of regents of the several state teachers' colleges, or state colleges, board of trustees of the public school retirement system of Missouri, and also the state of Missouri and each county thereof, to the extent that the state and the several counties are employers of teachers as herein designated;

(13) "Retirement allowance" shall mean a monthly payment for life during retirement;

(14) "Retirement system" or "system" shall mean the public school retirement system of Missouri created by sections 169.010 to 169.130;

(15) "Salary", "salary rate" or "compensation" shall mean the regular remuneration,

including any payments made pursuant to sections 168.500 to 168.515, RSMo, which is earned by a member as an employee of a district, but not including employer-paid fringe benefits except the value of employer-paid medical benefits (including dental and vision) for members, and not including consideration for agreeing to retire or other nonrecurring or unusual payments that are not a part of regular remuneration. The board by its rules may further define salary, salary rate and compensation in a manner consistent with this definition and with sections 169.010 to 169.141;

(16) "School year" shall mean the year from July first of one year to June thirtieth of next year, inclusive, which shall also be the fiscal year of the system;

(17) (a) "Teacher" shall mean any person who shall be employed by any public school, on a full-time basis and who shall be duly certificated under the law governing the certification of teachers; any person employed in the state department of elementary and secondary education or by the state board of education on a full-time basis who shall be duly certificated under the law governing the certification of teachers and who did not become a member of the Missouri state employees' retirement system pursuant to section 104.342, RSMo; and persons employed by the board of trustees of the public school retirement system of Missouri on a full-time basis who shall be duly certified under the law governing the certification of teachers. The term "teacher" shall be synonymous with the term "employee" as defined in this section;

**(b) The term "teacher" shall include any person employed as a classroom teacher in a job-sharing position as defined in section 169.065.**

169.030. 1. The funds required for the operation of the retirement system created by sections 169.010 to 169.141 shall come from contributions made in equal amounts by members of the system and their employers, except as provided for certain members and employers by section 104.342, RSMo, and from such interest as may be derived from the investment of any part of such contributions. All contributions shall be transmitted to the board of trustees by employers in such manner and at such time as the board by rule shall require.

2. For each school year following the date on which the system becomes operative, each and every employer of one or more persons who are members of the system shall transmit to the board of trustees, in the manner and accompanied by such supporting data as the board shall prescribe, twice the amount that is deductible from the pay of such employee or employees during the school year. Failure or refusal to transmit such amount as required shall render the person or persons responsible therefor individually liable for twice the amount so withheld. Suits for the recovery of amounts for which individuals are thus rendered liable shall be instituted and prosecuted by the board of trustees in the name of the retirement system. In addition to such civil penalty, and not in lieu thereof, any person or persons made responsible for the payment of contributions who shall willfully and knowingly fail or refuse to transmit such contributions or any part thereof to the board of trustees shall be deemed guilty of a misdemeanor and upon

conviction thereof shall be punished by a fine of not less than twenty-five dollars and not more than two hundred dollars, and each day such person or persons shall so fail or refuse to transmit such contributions shall be deemed a separate offense.

3. The contributions of members of the retirement system shall be collected by their employers through appropriate deductions from paychecks, except as provided for certain members and employers by section 104.342, RSMo. The total amount deducted from the paychecks of members during any school year shall equal such a percent of their salary rates as may be required by the contribution rate then in effect. Contributions transmitted to the retirement system before February 20, 1996, based on salary rates which either included or excluded employer-paid medical benefits for members, shall be deemed to have been in compliance with this section. The retirement system shall not refund or adjust contributions or adjust benefit determinations with respect to any period before February 20, 1996, solely because of the treatment of employer-paid medical benefits for members. Effective December 31, 1995, compensation in excess of the limitations set forth in section 401(a)(17) of title 26 of the United States Code shall be disregarded for purposes of determining contributions under this section and calculating benefits paid by the public school retirement system of Missouri. The limitation on compensation for eligible employees shall not be less than the amount which was allowed to be taken into account under the system as in effect on July 1, 1993. For this purpose, an "eligible employee" is an individual who was a member of the system before July 1, 1996.

4. The contribution rate shall be three percent for the first year of the system's operation. After the first year of operation the board of trustees shall have authority to fix the level rate of contribution, not to exceed eleven and one-half percent, required for the operation of the system and to make adjustments in such rate as may thereafter be necessary; provided that if the level rate required for operation of the system shall exceed eleven and one-half percent for five consecutive years, all benefits provided herein shall be equitably reduced to such an extent that the rate required for the operation of the system shall be eleven and one-half percent.

**5. The contribution rate for employers and members in a job-sharing position shall be one-half the rate pursuant to subsection 1 of this section.**

[5.] 6. Regardless of the provisions of any law governing compensation and contracts, every teacher or employee shall be deemed to consent and agree to the deductions provided herein. Payment of salary or compensation less such deduction shall be a full and complete discharge of all salary or compensation claims and demands during the period covered by such payment, except as to the benefits provided under sections 169.010 to 169.141.

**169.065. 1. For purposes of section 168.303, RSMo, and sections 169.010 to 169.141, the term "job-sharing" shall mean any person:**

**(1) Duly certificated and employed by a school district in a position shared with**

one other employee;

(2) Employed by the district for fifty percent of the workweek, calculated on an hourly basis of at least twenty hours, but not less than seventeen hours; and

(3) Spending at least seventy percent of his or her work time in classroom instruction.

2. Membership service for a member in a job-sharing position shall accrue at a rate of one-half year for each regular district year of employment.

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