

FIRST REGULAR SESSION

SENATE BILL NO. 623

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR COLEMAN.

Read 1st time February 28, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

2490S.011

AN ACT

To repeal sections 169.466 and 169.471, RSMo, and to enact in lieu thereof two new sections relating to retirement benefits.

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

Section A. Sections 169.466 and 169.471, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 169.466 and 169.471, to
3 read as follows:

169.466. 1. Any retired member with fifteen or more years of creditable
2 service at retirement receiving [a pension] **retirement benefits** on August 28,
3 1997, shall receive on January first of each year, commencing on January 1, 1998,
4 an increase in the amount of [pension] **benefits** received by the retired member
5 pursuant to sections 169.410 to 169.540 during the preceding year of one hundred
6 percent of the increase in the consumer price index calculated in the manner
7 provided in this section; except that, no such increase in [pension] **retirement**
8 **benefits** shall be paid for any year if such increase in the consumer price index
9 is less than one percent. Such annual [pension] **retirement benefit** increase,
10 however, shall not exceed three percent [and the total increases in the amount
11 of pension benefits received by any retired member shall not, in the aggregate,
12 exceed ten percent of the pension benefits such retired member received during
13 the year preceding January first of the first year the retired member is entitled
14 to receive an increase pursuant to this section]. A retired member qualified to
15 receive an annual [pension] **retirement benefit** increase pursuant to this
16 section shall not be eligible to receive an additional benefit until the January first
17 after the first anniversary of the date on which he or she commenced receiving
18 [a pension] **retirement benefits** pursuant to sections 169.410 to

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

19 169.540. Benefits shall not be decreased in the case of a decrease in the
20 consumer price index for any year.

21 2. For the purpose of this section, any increase in the consumer price
22 index shall be determined by the board of trustees in November of each year
23 based on the consumer price index for the twelve-month period ended on
24 September thirtieth of such year over the consumer price index for the
25 twelve-month period ended on September thirtieth of the year immediately prior
26 thereto. Any increase so determined shall be applied by the board of trustees in
27 calculating increases in **[pension] retirement** benefits that become payable
28 pursuant to this section for the twelve-month period beginning on the January
29 first immediately following such determination.

30 3. An annual increase in **[pension] retirement** benefits, if any, shall be
31 payable monthly with monthly installments of other **[pension] retirement**
32 benefits pursuant to sections 169.410 to 169.540.

169.471. 1. The board of education is authorized from time to time, in its
2 discretion, to increase the **[pension] retirement** benefits now or hereafter
3 provided pursuant to sections 169.410 to 169.540 and to adopt and implement
4 additional **[pension] retirement** benefits and plans, including without limitation,
5 early retirement plans, deferred retirement option plans and cost-of-living
6 adjustments, but excluding compensation to retired members pursuant to section
7 169.475, and for such purpose the contribution rate of members of the retirement
8 system may be increased to provide part of the cost thereof, subject to the
9 following conditions:

10 (1) Any such increase in **[pension] retirement** benefits and additional
11 **[pension] retirement** benefits and plans shall be approved by the board of
12 trustees;

13 (2) The board of trustees shall have presented to the board of education
14 the projected increases in rates of contribution which will be required to be made
15 by members and the board of education to the retirement system to pay the cost
16 of such increases in **[pension] retirement** benefits and additional **[pension]**
17 **retirement** benefits and plans; and

18 (3) Any increase in the contribution rate of members of the retirement
19 system shall be approved by the board of trustees and shall be deducted from the
20 compensation of each member by the employing board and transferred and
21 credited to the individual account of each member from whose compensation the
22 deduction was made, and shall be administered in accordance with sections

23 169.410 to 169.540; provided that, any such increase in the members' contribution
24 rate shall not exceed one-half of one percent of compensation in any year for such
25 increases to [pension] **retirement** benefits and additional [pension] **retirement**
26 benefits and plans adopted during such year by the board of education pursuant
27 to this section, and all such increases in the members' contribution rate shall, in
28 the aggregate, not exceed two percent of compensation.

29 **2. The board of trustees is authorized from time to time, in its**
30 **discretion, to increase the retirement benefits, now or hereinafter**
31 **provided under sections 169.410 to 169.540, and to adopt and implement**
32 **additional retirement benefits for persons who have retired, including**
33 **cost-of-living adjustments, provided that the board of trustees finds the**
34 **additional benefit will not require an increase in the contribution rate**
35 **required by the members, will not increase the contribution required**
36 **from the board of education, and is actuarially sound. In the event the**
37 **board of trustees authorizes an increase under this section, it shall**
38 **certify in writing to the board of education the findings, including but**
39 **not limited to all actuarial assumptions, upon which the board of**
40 **trustees determined that the increase in benefits would result in no**
41 **increase in contributions by members or the board of education.**

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