

FIRST REGULAR SESSION

# SENATE BILL NO. 324

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RIDGEWAY.

Read 1st time February 5, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

1661S.011

## AN ACT

To repeal sections 169.010, 169.560, and 169.660, RSMo, and to enact in lieu thereof three new sections relating to teacher and school employee retirement systems, with an emergency clause.

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

Section A. Sections 169.010, 169.560, and 169.660, RSMo, are repealed  
2 and three new sections enacted in lieu thereof, to be known as sections 169.010,  
3 169.560, and 169.660, to read as follows:

169.010. The following words and phrases, as used in sections 169.010 to  
2 169.130, unless a different meaning is plainly required by the context, shall have  
3 the following meanings:

4 (1) "Accumulated contributions" shall mean the sum of the annual  
5 contributions a member has made to the retirement system through deductions  
6 from the member's salary, plus interest compounded annually on each year's  
7 contributions from the end of the school year during which such contributions  
8 were made;

9 (2) "Board" shall mean the board of trustees provided for in sections  
10 169.010 to 169.130;

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

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

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

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

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

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

20 (8) "Final average salary" shall mean the total compensation payable to  
21 a member for any three consecutive years of creditable service, as elected by the  
22 member, divided by thirty-six; with the proviso that any annual compensation  
23 entering into the total compensation shall not exceed twelve thousand six  
24 hundred dollars for any year prior to July 1, 1967; and with the proviso that the  
25 board may set a maximum percentage of increase in annual compensation from  
26 one year to the next in the final average salary period. In no instance shall the  
27 maximum percentage of increase in annual compensation from one year to the  
28 next in the final average salary period exceed [ten] **twenty** percent. This limit  
29 will not apply to increases due to bonafide changes in position or employer  
30 increases required by state statute, or districtwide salary schedule adjustments  
31 for previously unrecognized education-related services;

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

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

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

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

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

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

54 (15) "Salary", "salary rate" or "compensation" shall mean the regular  
55 remuneration, including any payments made pursuant to sections 168.500 to  
56 168.515, RSMo, which is earned by a member as an employee of a district, but not  
57 including employer-paid fringe benefits except the value of employer-paid medical  
58 benefits (including dental and vision) for members, and not including  
59 employer-paid medical benefits (including dental and vision) for anyone other  
60 than the member, employer contributions to any deferred compensation plan,  
61 consideration for agreeing to terminate employment or other nonrecurring or  
62 unusual payments that are not a part of regular remuneration. The board by its  
63 rules may further define salary, salary rate and compensation in a manner  
64 consistent with this definition and with sections 169.010 to 169.141;

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

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

169.560. 1. Any person retired and currently receiving a retirement  
2 allowance pursuant to sections 169.010 to 169.141, other than for disability, may  
3 be employed in any capacity in a district included in the retirement system  
4 created by those sections on either a part-time or temporary-substitute basis [not  
5 to exceed a total of five hundred fifty hours in any one school year,] and through  
6 such employment may earn up to [fifty percent of the annual compensation  
7 payable under the employing district's salary schedule for the position or  
8 positions filled by the retiree, given such person's level of experience and  
9 education, without a discontinuance of the person's retirement allowance. If the  
10 employing school district does not utilize a salary schedule, or if the position in  
11 question is not subject to the employing district's salary schedule, a retiree  
12 employed in accordance with the provisions of this section may earn up to fifty

13 percent of the annual compensation paid to the person or persons who last held  
14 such position or positions. If the position or positions did not previously exist,  
15 the compensation limit shall be determined in accordance with rules duly adopted  
16 by the board of trustees of the retirement system; provided that, it shall not  
17 exceed fifty percent of the annual compensation payable for the position in the  
18 employing school district that is most comparable to the position filled by the  
19 retiree. In any case where a retiree fills more than one position during the school  
20 year, the fifty-percent limit on permitted earning shall be based solely on the  
21 annual compensation of the highest paid position occupied by the retiree for at  
22 least one-fifth of the total hours worked during the year. Such a person shall not  
23 contribute to the retirement system or to the public education employee  
24 retirement system established by sections 169.600 to 169.715 because of earnings  
25 during such period of employment] **the minimum starting teacher's salary**  
26 **as defined in section 163.172, RSMo, and the hiring school district shall**  
27 **pay to the retirement system the employer's portion of the**  
28 **contributions required by section 169.030. The limit on earnings shall**  
29 **be applied on a pro rata basis to a retiree's earnings after the retiree's**  
30 **effective date of retirement during the school year that the member**  
31 **retires as determined by regulation.**

32 **2. Any retiree that works under the provisions of this section**  
33 **shall not accrue any benefits with the retirement system.** If such a  
34 person [is employed in any capacity by such a district on a regular, full-time  
35 basis] **exceeds the limits of this section,** the person shall not be eligible to  
36 receive the person's retirement allowance for any month during which the person  
37 is so employed [and]. **A person shall contribute to the retirement system if**  
38 **employed in a position that would otherwise be eligible.**

39 **3. A member shall terminate employment with an employer**  
40 **covered by the public school retirement system of Missouri before**  
41 **being eligible to receive a benefit pursuant to sections 169.010 to**  
42 **169.141. A member shall not be deemed to have terminated employment**  
43 **if the member is employed in any capacity by an employer covered by**  
44 **the public school retirement system of Missouri or the public education**  
45 **employee retirement system of Missouri within one month after his or**  
46 **her effective date of retirement. The member shall be required to**  
47 **repay any benefit payments paid if it is determined that the member**  
48 **did not terminate employment covered by the retirement system.**

169.660. 1. On and after the first day of July next following the operative  
2 date, any member who is sixty or more years of age and who has at least five  
3 years of creditable service, or who has attained age fifty-five and has at least  
4 twenty-five years of creditable service, or who has at least thirty years of  
5 creditable service regardless of age may retire and receive the full retirement  
6 benefits based on the member's creditable service. A member whose creditable  
7 service at retirement is less than five years shall not be entitled to a retirement  
8 allowance but shall be entitled to receive the member's contributions.

9 2. Any person retired and currently receiving a retirement allowance  
10 pursuant to sections 169.600 to 169.715, other than for disability, may be  
11 employed on either a part-time or temporary-substitute basis by a district  
12 included in the retirement system not to exceed [a total of five hundred fifty  
13 hours in any one school year, without a discontinuance of the person's retirement  
14 allowance. Such a person shall not contribute to the retirement system, or to the  
15 public school retirement system established by sections 169.010 to 169.141,  
16 because of earnings during such period of employment. If such a person is  
17 employed in any capacity by such a district on a regular, full-time basis, or the  
18 person's part-time or temporary-substitute service in any capacity exceeds five  
19 hundred fifty hours in any one school year, the person shall not be eligible to  
20 receive the person's retirement allowance for any month during which the person  
21 is so employed] **fifty percent of the minimum starting teacher's salary as**  
22 **defined in section 163.172, RSMo, and the hiring school district shall**  
23 **pay to the retirement system the employer's portion of the**  
24 **contributions required by section 169.620. The limit on earnings shall**  
25 **be applied on a pro rata basis to a retiree's earnings after the retiree's**  
26 **effective date of retirement during the school year that the member**  
27 **retires as determined by regulation.**

28 3. Any retiree that works under the provisions of this section  
29 shall not accrue any benefits with the retirement system. If such a  
30 person exceeds the limits of this section, the person shall not be eligible  
31 to receive the person's retirement allowance for any month during  
32 which the person is so employed. A person shall contribute to the  
33 retirement system if employed in a position that would otherwise be  
34 eligible.

35 4. A member shall terminate employment with an employer  
36 covered by the public education employee retirement system of

37 **Missouri before being eligible to receive a benefit pursuant to section**  
38 **169.600 to 169.715. A member shall not be deemed to have terminated**  
39 **employment if the member is employed in any capacity by an employer**  
40 **covered by the public school retirement system of Missouri or the**  
41 **public education employee retirement system of Missouri within one**  
42 **month after his or her effective date of retirement. The member shall**  
43 **be required to repay any benefit payments paid if it is determined that**  
44 **the member did not terminate employment covered by the retirement**  
45 **system.**

46       **5.** The system shall pay a monthly retirement allowance for the month in  
47 which a retired member or beneficiary receiving a retirement allowance dies.

Section B. Because immediate action is necessary to protect the financial  
2 security of Missouri teachers who plan to retire in the upcoming year, section A  
3 of this act is deemed necessary for the immediate preservation of the public  
4 health, welfare, peace and safety, and is hereby declared to be an emergency act  
5 within the meaning of the constitution, and section A of this act shall be in full  
6 force and effect on July 1, 2009, or upon its passage and approval, whichever later  
7 occurs.

Unofficial  
Bill  
✓  
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