

SENATE BILL NO. 456

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROBERTS.

1360S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 169.490, RSMo, and to enact in lieu thereof one new section relating to employer contribution rates for the public school retirement system of the city of St. Louis.

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

Section A. Section 169.490, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 169.490,
3 to read as follows:

169.490. 1. All the assets of the retirement system
2 shall be held as one fund.

3 2. (1) For any member hired before January 1, 2018,
4 the employing board shall cause to be deducted from the
5 compensation of each member at every payroll period five
6 percent of his or her compensation.

7 (2) Beginning January 1, 2018, the percentage in
8 subdivision (1) of this subsection shall increase one-half
9 of one percent annually until such time as the percentage
10 equals nine percent.

11 (3) For any member hired for the first time on or
12 after January 1, 2018, the employing board shall cause to be
13 deducted from the compensation of each member at every
14 payroll period nine percent of such member's compensation.

15 (4) The amounts so deducted shall be transferred to
16 the board of trustees and credited to the individual account
17 of each member from whose compensation the deduction was
18 made. In determining the amount earnable by a member in any

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

19 payroll period, the board of trustees may consider the rate
20 of earnable compensation payable to such member on the first
21 day of the payroll period as continuing throughout such
22 payroll period; it may omit deduction from compensation for
23 any period less than a full payroll period if the employee
24 was not a member on the first day of the payroll period; and
25 to facilitate the making of the deductions, it may modify
26 the deduction required of any member by such amount as shall
27 not exceed one-tenth of one percent of the compensation upon
28 the basis of which such deduction was made.

29 (5) The deductions provided for herein are declared to
30 be a part of the salary of the member and the making of such
31 deductions shall constitute payments by the member out of
32 his or her salary or earnings and such deductions shall be
33 made notwithstanding that the minimum compensation provided
34 by law for any member shall be reduced thereby. Every
35 member shall be deemed to consent to the deductions made and
36 provided for herein, and shall receipt for his or her full
37 salary or compensation, and the making of said deductions
38 and the payment of salary or compensation less said
39 deduction shall be a full and complete discharge and
40 acquittance of all claims and demands whatsoever for
41 services rendered during the period covered by the payment
42 except as to benefits provided by sections 169.410 to
43 169.540.

44 (6) The employing board may elect to pay member
45 contributions required by this section as an employer pick
46 up of employee contributions under Section 414(h)(2) of the
47 Internal Revenue Code of 1986, as amended, and such
48 contributions picked up by the employing board shall be
49 treated as contributions made by members for all purposes of
50 sections 169.410 to 169.540.

51 3. If a retired member receiving a pension pursuant to
52 sections 169.410 to 169.540 is restored to active service
53 and again becomes an active member of the retirement system,
54 there shall be credited to his or her individual account an
55 amount equal to the excess, if any, of his or her
56 accumulated contributions at retirement over the total
57 pension benefits paid to him or her.

58 4. [Annually, the actuary for the retirement system
59 shall calculate each employer's contribution as an amount
60 equal to a certain percentage of the total compensation of
61 all members employed by that employer. The percentage shall
62 be fixed on the basis of the liabilities of the retirement
63 system as shown by the annual actuarial valuation. The
64 annual actuarial valuation shall be made on the basis of
65 such actuarial assumptions and the actuarial cost method
66 adopted by the board of trustees, provided that the
67 actuarial cost method adopted shall be in accordance with
68 generally accepted actuarial standards and that the unfunded
69 actuarial accrued liability, if any, shall be amortized by
70 level annual payments over a period not to exceed thirty
71 years. The provisions of this subsection shall expire on
72 December 31, 2017; thereafter subsection 5 of this section
73 shall apply.

74 5.] For calendar year 2018, the rate of contribution
75 payable by each employer shall equal sixteen percent of the
76 total compensation of all members employed by that
77 employer. For each calendar year thereafter, the percentage
78 rate of contribution payable by each employer of the total
79 compensation of all members employed by that employer shall
80 decrease one-half of one percent annually until calendar
81 year [2032] **2025** when the rate of contribution payable by
82 each employer shall equal [nine] **twelve and one-half** percent

83 of the total compensation of all members employed by that
84 employer. For [subsequent] calendar [years] **year 2026 and**
85 **each calendar year** after [2032] **2026**, the rate of
86 contribution payable by each employer shall equal [nine]
87 **fourteen** percent of the total compensation of all members
88 employed by that employer.

89 [6.] 5. The expense and contingency reserve shall be a
90 reserve for investment contingencies and estimated expenses
91 of administration of the retirement system as determined
92 annually by the board of trustees.

93 [7.] 6. Gifts, devises, bequests and legacies may be
94 accepted by the board of trustees to be held and invested as
95 a part of the assets of the retirement system and shall not
96 be separately accounted for except where specific direction
97 for the use of a gift is made by a donor.

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