

**THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM  
OF  
MISSOURI**

A chronological review of  
legislation and development  
1945 - 2008

**By Topic**

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**COLA**

1981 - added to retirement law - maximum 24%  
08/13/84 - Maximum increased to 32%  
05/30/90- Maximum increased to 44% -- COLA compounding  
08/28/93 - Maximum increased to 56% -- Annual maximum increased to 5%  
08/28/96 - Maximum increased to 65%  
08/28/98 - Maximum increased to 75%  
08/28/01 - Maximum increased to 80%

**Breakdown of yearly increases:**

1982 - 4%  
1983 - 4%  
1984 - 2.6%  
1985 - 4%  
1986 - 3.7%  
1987 - 1.7%  
1988 - 3.7%  
1989 - 4%  
1990 - 4%  
1991 - 4% (compounded)  
1992 - 4%  
1993 - 3.1% \*  
1994 - 3.0%  
1995 - 2.5%  
1996 - 3.0%\*\*  
1997 - 2.8%  
1998 - 2.3%  
1999 - 1.7%  
2000 - 2.0%  
2001 - 3.7%\*\*\*  
2002 - 3.3% \*\*\*\*  
2003 - 1.1% \*\*\*\*\*  
2004 - 2.1% \*\*\*\*\*  
2005 - 3.3% \*\*\*\*\*  
2006 - 2.5% \*\*\*\*\*  
2007 - 4.3% \*\*\*\*\*  
2008 - 2.7% \*\*\*\*\*

\*Those before 1979 reached lifetime COLA cap & received 1.09%

\*\*Those before 1979 reached lifetime COLA cap & received 2.61%

\*\*\* Those retired in 1979 reached lifetime COLA cap & received 3.6%

\*\*\* Those before 1979 reached lifetime COLA cap & received 2.8%

\*\*\*\* Those before 1980 reached lifetime COLA cap & received 2.9%

\*\*\*\*\* Those before 1980 reached maximum lifetime COLA – no increase in benefit.

\*\*\*\*\* Those retired January 1980 through December 1980 due to lifetime COLA cap received 1.57%. Those before 1980 reached maximum lifetime COLA – no increase in benefit.

\*\*\*\*\* Those retired January 1981 through December 1981 due to lifetime COLA cap received 1.61%. Those before 1981 reached maximum lifetime COLA – no increase in benefit.

\*\*\*\*\* Those retired January 1982 through December 1982 due to lifetime COLA cap received 1.73%. Those before 1982 reached maximum lifetime COLA – no increase in benefit.

\*\*\*\*\*Those retired January 1983 through December 1983 due to lifetime COLA cap received 2.49% and those retired January 1984 through December 1984 received 4.05%. Those that retired before 1983 reached maximum lifetime COLA – no increase in benefit.

\*\*\*\*\*Those that retired before 1984 reached maximum lifetime COLA – no increase in benefit.

## Miscellaneous Legislative/ad hoc retiree increases

- 7/1/99     7.4% Ad hoc retiree increase applied to all NTRS benefit amounts
- 7/1/00     3.4% Ad hoc retiree increase applied to all NTRS benefit amounts
- 7/1/01     7.10% Ad hoc retiree increase applied to all NTRS benefit amounts

## **CONTRIBUTION RATES**

11/01/65 - (6% - 3.624%) = 2.375%  
01/01/66 - (6% - 4.2%)    = 1.8%  
01/01/67 - (6% - 4.4%)    = 1.6%  
07/01/68 - (8% - 4.4%)    = 3.6%  
01/01/69 - (8% - 4.8%)    = 3.2%  
10/01/69 ----- = 3.0%  
07/01/83 ----- = 4.0%  
07/01/89 - Employer pickup became effective.  
07/01/96 ----- = 4.3%  
07/01/99 ----- = 4.5%  
07/01/00 - CAP raised to 5.0%  
07/01/01 ----- = 5.0%  
08/28/03 - CAP removed, rate may increase by .25% a year as needed  
07/01/04 ----- = 5.25%  
07/01/05 ----- = 5.5%  
07/01/06 ----- = 5.75%  
07/01/07 ----- = 6.00%

- 6/14/89     Provided for employer pickup of contributions (on earnings July 1, 1989, and after). (SB146)
- 2/20/96     Defined "salary rate", "salary," and "compensation" to include employer-paid medical benefits for PSRS and NTRS. All future contributions and benefits to take that amount into account and apply to all employers under the systems.
- Specified contributions prior to SB 857 were deemed in compliance with the statute whether they included or excluded employer-paid medical with the systems not refunding contributions or adjusting benefits solely because of the treatment of medical benefits.
- 8/28/97     Broadened "compensation" definition to include employer paid dental and vision insurance (effective 1997-98 school year).
- 8/28/03     Removed 11.5% contributions rate cap. [5% for NTRS]  
Contribution rate to be set by the Board of Trustees based on the actuarial valuation of each system. Stipulations prevent annual increases of more than 1% in PSRS (0.5% for the employee and 0.5% for the employer) [0.5% for NTRS (0.25% for the employee and 0.25% for the employer)].
- 8/25/05     Removes Section 169.555 dealing with contribution rates. This section is similar to Sections 169.030 and 169.620 and is being removed to prevent confusion;

## **DISABILITY RETIREMENT**

On or after July 1, 1970, a member with 8 or more years of creditable service could apply for disability retirement (90% of regular retirement allowance).

- 08/13/84      Minimum creditable service requirement reduced to 60 months (or 24 months with reinstated credit equal to 60).
- 05/30/90      Option 1 (Option 2 after 6/1/95) available to spouse of disability if retirant dies after attaining age 55 and if named as primary beneficiary.
- 08/28/93      Spousal survivorship benefits extended to spouse if name as primary and member is vested. Spouse may elect to receive future or immediate monthly benefit.

## **INTEREST CREDITED TO MEMBER ACCOUNTS**

07/01/67 through 06/30/69 - 4%  
07/01/69 through 06/30/73 - 4 1/2%  
07/01/73 through 06/30/76 - 5%  
07/01/76 through 06/30/79 - 5 1/2%  
07/01/79 through 06/30/88 - 6 %  
07/01/88 through 06/30/92 - 7%  
07/01/92 to 06/30/05 - 6%

## **JUNIOR COLLEGE DISTRICTS**

- 1975      House Bill 352 made provision for entry into NTRS
- 08/28/91      Members allowed to purchase junior college credit. Must apply by August 28, 1996, or within 5 years of entry into NTRS.
- 08/28/97      Reopened Jr. College Purchase for those who missed the window. May apply no earlier than August 28, 1997. No longer a window.

10/01/75 ~ Jefferson College  
                 Hillsboro, MO  
10/01/75 ~ State Fair Community College  
                 Sedalia, MO  
11/01/75 ~ Mineral Area College  
                 Flat River, MO  
07/01/76 ~ Crowder College  
                 Neosho, MO  
07/01/76 ~ East Central Junior College  
                 Union, MO

07/01/78 ~ Three Rivers Community College  
Poplar Bluff, MO  
07/01/80 ~ Metropolitan Community College  
Kansas City, MO  
10/01/86 ~ St. Charles Community College  
St. Peters, MO  
08/01/90 ~ Heart of the Ozarks Community Technical College  
Springfield, MO

## RETIREMENT PLANS

- 09/28/77 Options 1 (100% surv.) & 2 (50% surv.) were added to retirement law.
1. Percentage of reduction based on age and sex of member & age and sex of beneficiary.
  2. January, 1981 - actuarial tables revised to base percentage of reduction only on age of member and beneficiary.
  3. Amended in 1981 - balance in account paid to estate of retiree if both member and beneficiary were deceased. Previously, balance was paid only if member took Regular Retirement.
- 08/13/84 Options 3 (100%) & 4 (50%) ("Pop-UP" options) added.
- Option 1 (100%) Survivorship benefit available to surviving spouse if member was eligible but died prior to retirement
- 05/30/90 Option 1 (100% - survivor) available to surviving spouse of disability retirant if died after attaining age 55
- 05/06/93 Successor Nomination of Beneficiary -- if person named as beneficiary under an optional retirement plan predeceases the member, or if a divorce occurs and the divorce decree provides for full retention of all NTRS benefits by the retiree, a new beneficiary can be named if the retiree remarries. Successor beneficiary nomination must occur within 90 days of remarriage or before August 4, 1993, whichever is later
- 08/28/93 25/55-- A member with 25 years of creditable service may retire and draw full benefits beginning at age 55, rather than the current age 60.
- 08/28/93 Pop-Up Options: Law allows retirees who retired prior to August 13, 1984, to "pop-up" if their spouse has predeceased them and they originally chose Option 1 or 2. Options 3 & 4 were not available prior to August 13, 1984.
- Survivorship Option 1-- (Option 1 -- 100%) spousal survivorship benefits are now extended to a spouse if named as primary beneficiary and the member is vested (including disability). The surviving spouse may elect a lump sum or may elect to receive future or immediate monthly benefits. Monthly benefits are payable, if chosen, when the member would have been eligible.
- 06/94 Option 2 (75%) & Option 4 (Pop-up 75%) added
- 05/95 Retirement Plans Renamed
- Option 1** -- Single Life (formerly Regular Retirement)
  - Option 2** -- 100% Survivorship (formerly Option 3 100%)
  - Option 3** -- 75% Survivorship (formerly Option 4 75%)
  - Option 4** -- 50% Survivorship (formerly Option 4 50%)

**Option 2, 3, & 4** -- automatically Pop-Up. If beneficiary dies first, retiree's payment would immediately Pop-Up to the amount which would have been received under Single Life Plan (Option 1)

**Option 5** (120 months term certain)

**Option 6** ( 60 months term-certain)

If retiree chose either option and died before receiving the guaranteed number of payments, the remaining payments would be made to their beneficiary. If retiree lives beyond the guaranteed term, monthly payments would continue for life, but no payments would be made to their beneficiary after retirees death.

08/96 25 & out (2 year window) September 1, 1996, through July 1, 1998. This will be based on a sliding scale formula. Only if the members are under the age of 55 and have 25 to 25.9 year of NTRS membership credit.

08/98 25 & out (2 year window) Reopened and extended until July 1, 2000.

08/98 Accelerated Payment Plan (level income) **Option 7:** The law gives the Board of Trustees the authority to develop a "level income" retirement option. The purpose for the option would be to allow a member to maintain a fairly level income stream throughout their retired life when the member elects to retire with NTRS prior to Social Security eligibility age. Essentially a higher NTRS benefit is paid prior to Social Security age and a lower NTRS benefit is paid upon reaching Social Security age. The law specifies that the benefits be actuarially calculated. The effective date of this plan will be determined as it is structured.

10/98 As a part of structuring the new **NTRS** database, we have devised the following numbering scheme for retirements which occurred **prior to May 1995**. The current numbering system will not change; The Information and Technology department went into the database and renumbered the old plans to show as listed in the second column. (see the following)

## OLD PLANS

old numbers (on computer)

## OLD PLANS

new numbers\*(on computer)

Blank -- single life (regular retirement).....	Opt. 10 -- single life
Opt. 1 -- 100% survivor ( <u>no</u> pop-up).....	Opt. 20 -- 100% survivor <u>no</u> pop-up
Opt. 2 -- 50% survivor ( <u>no</u> pop-up).....	Opt. 40 -- 50% survivor, <u>no</u> pop-up
Opt. 3 -- 100% survivor (pop-up).....	Opt. 21 -- 100% survivor pop-up
Opt. 4 -- 50% survivor (pop-up).....	Opt. 41 -- 50% survivor pop-up
Opt. 8 -- 75% survivor ( <u>no</u> pop-up).....	Opt. 30 -- 75% survivor <u>no</u> pop-up
Opt. 9 -- 75% survivor (pop-up).....	Opt. 31 -- 75% survivor pop-up
* 2 <sup>nd</sup> digit signifies whether or not the plan pops-up: 0 = <u>no</u> pop-up 1 = pop-up	

## To be used with the new Accelerated Payment Plans: (level income)

Opts. 71 -- Accelerated Payment Plan(Single Life)	
" 72 -- " " " (100% survivor)	
" 73 -- " " " ( 75% survivor)	

“	74 --	“	“	“	( 50% survivor)
“	75 --	“	“	“	(120 mo. TC)
“	76 --	“	“	“	( 60 mo. TC)

07/01/99	Option 2 survivor benefit choice made available to anyone named as primary beneficiary if death of member occurs prior to retirement, member is vested, and person named as primary beneficiary has an insurable interest in the life of the member.
07/01/99	Special Vesting Provision – An NTRS retiree who returns to regular qualified employment, has their benefit placed on hold and establishes a new NTRS membership can “specially vest” this subsequent membership by earning as little as 1.0 year of creditable service. Special vesting makes the retiree eligible to receive another monthly benefit based on this subsequent service; however, this subsequent membership and any previous membership cannot be combined.
7/01/03	Extends 25 and out (Modified Formula) window for 5 years through July 1, 2008 (was through July 1, 2003).
08/28/03	Initiated a Partial Lump Sum Option available to members meeting eligibility requirements, i.e. three years beyond normal retirement. Lifetime monthly benefits actuarially reduced in exchange for the right to receive a one-time lump sum payment at retirement equal to 12, 24, or 36 times the Option 1 – Single Life benefit amount.
8/28/07	Approved Social Security and Retirement Tax Deduction  After a six year phase-in period, Social Security recipients can deduct their entire benefit, per adjusted gross income level restrictions. Individuals receiving a retirement benefit from a public plan, including PSRS and PEERS, are allowed to deduct up to the maximum Social Security benefit available for that tax year. The maximum Social Security benefit available in 2007 is \$32,500, but that figure is adjusted for inflation every year at the federal level. Those individuals that receive both Social Security benefits and PSRS/PEERS benefits will deduct their entire Social Security benefit first, then as much of their PSRS/PEERS benefit until they reach the maximum deduction. (House Bill 444)

## PRIOR SERVICE CREDIT

1981	Period opened to claim prior service credit 1. Must be claimed by 07/01/83 or within 2 years after the date membership was established if later than 07/01/83.
08/28/91	Time limit eliminated to claim prior service credit Value of prior service credit in calculation of benefit increased from .5 to .6.

## PURCHASES



08/13/88	Members can now purchase unpaid sick leave. Age 65 limitation removed in 1994 legislation.
08/29/91	Members allowed to purchase junior college credit. 1. Must apply by August 28, 1996, or within 5 years of membership.  Purchases will be considered Non-EPU
08/28/93	Reciprocity law-- Allows the transfer or purchase of credit from one Missouri public retirement system to another if the systems have entered into an agreement and if certain other criteria are met. Member has to be both vested in NTRS and PSRS.
08/25/95	Supplemental Credit Purchase: Members who are eligible or who are within five years of being eligible to draw either a reduced or an unreduced retirement benefit may buy a maximum of 4/10 of a year of creditable service.
08/27/95	Educational Agency Service Credit Purchase: member may buy up to two years of credit for service to a not-for-profit educational agency or corporation if the service was rendered while the person was on leave from an NTRS employer and if the member returned to work for the same employer for at least one year after the agency service.
08/27/96	Due to SB860 Effective January 1, 1997---New Purchases  Maternity/Paternity; Military Prior to employment; Military interrupting employment (and not covered by USERRA); Not-for-Profit Education Organization Purchase -- (will be repealed for the months of September, October, November, and December 1996. Will be available for January 1, 1997;) Out of State, University of Missouri and Lincoln; Vo-Tech; PSRS; Private School.
08/28/97	Junior College Purchase-- Reopened window for those who missed it. This purchase will no longer be a window.
08/28/98	Military Purchase -- A member may now purchase prior military service regardless of when the member's initial membership with NTRS was established. Previous law required the member's initial membership to have been established within five years of discharge from the military.
08/28/98	NTRS purchase of PSRS credit -- When purchasing forfeited PSRS credit, the Public School Retirement System of Missouri (PSRS) must transfer to NTRS an amount equal to the withdrawn employee amount (essentially the matching district contributions plus interest) for the forfeited service being purchased, plus interest. These funds will then be applied to reduce the amount the member would otherwise pay for the purchase of the PSRS credit. The amount transferred however, cannot exceed one-half of the calculated purchase cost.  SB 733 Provided that the cost to purchase the following creditable service would be capped at the <b>lower of the statutory calculation or the actuarial value (present value) calculation</b> : Military (prior and interrupted); Maternity/Paternity; PSRS credit; Private School; Out-of-State, Lincoln & Univ. of MO; Vo-Tech; Not-For-Profit.
07/01/99	Vo-Tech purchase changed to eliminate the college degree requirements.
07/01/01	SS/SCS/HB 660 and SB 316 Reciprocity between the four Missouri education retirement systems.

- Retirement credit recognition agreements (reciprocity) between NTRS, PSRS, Kansas City Teacher System and St. Louis Teacher System. Requires that the four systems to enact rules recognizing service in each system toward retirement eligibility.

8/28/03

Provided that application for purchase of most types of credit may be made after acquiring one year of covered employment following the service being purchased.

Provided the calculation of credit purchases to be calculated using the highest NTRS salary rate on record multiplied by the contribution rate (total employer and employee) at time of application with interest on the unpaid balance, with payment in full required prior to termination of membership. NOTE: This does not apply to reinstatements or purchase of credit for leave of absence, unpaid sick leave, or military service under USERRA. (The cost calculation for In-State service, KC or St. L, is included in the new calculation method.)

Removed the limits on the number of years allowed to purchase on most purchases but maintains the overall cap that limits all purchased credit to the total of earned NTRS credit at the time of termination of membership (retirement, death or withdrawal) - excludes Vo-Tech and USERRA leave.

Removed payment deadlines on most purchases – once a purchase/reinstatement application is filed, it remains open until payment in full is made or the membership terminates – excludes Reciprocity purchase, unpaid sick leave or USERRA leave.

Added provision allowing purchase of service rendered in a private school, private university, private college, or private junior college inside or outside of Missouri if member was employed to serve 20 hours per week on a regular basis. If the service was established with a retirement system, member may purchase on a year for year basis.

Added provision allowing purchase of service rendered in a public school, public university, public college and public junior college inside or outside of Missouri if member was employed to serve 20 hours per week on regular basis. If the service was established with a retirement system, member may purchase on a year for year basis.

Increased maximum supplemental credit that can be purchased to 0.5 (was 0.4).

Permitted purchase of credit for part-time certificated service rendered for a NTRS covered employer after August 28, 1991, and before August 28, 2003, of at least 17 hours per week on a regular basis.

6/30/04

Began to update all purchase/reinstatement payments to member accounts that were only partially paid or paid in full. (Prior to this date only updated purchase/reinstatements that were paid in full.)

8/28/2005

Allowed members who were employed in prior non-federal public employment inside or outside of Missouri for at least 20 hours a week on a regular basis to purchase the service credit.

Allowed members who, while being at least 18 years old, were employed in a position covered by Social Security for at least 20 hours a week on a regular basis purchase the service credit.

Required the cost of any remaining credit elected to purchase but not yet paid by June 30 of each year recalculated on the following July 1 using the contribution rate in effect and the member's highest salary rate of record as of that July 1. Members filing purchase applications prior to January 1, 2006, have a one time election to continue having the cost of their purchases based on the calculation in effect prior to January 1, 2006. To be effective, the election form

must be received by the retirement system by the close of business on June 30, 2006. This recalculation does not apply to purchases found in section 105.691 (Reciprocity Purchase, Non-Federal Public Employment in MO Purchase), USERRA or Unpaid Sick Leave Purchase.

## REINSTATEMENT

09/28/77	Added to retirement law  1. Apply within 5 years of return to membership 2. 08/13/84 -- law amended - time limit eliminated  Reinstatement interest charges 1977/78 through 1979/80 ~ 7% 1980/81 through present ~ 8%  Reinstatement purchases will be considered Non-EPU
08/28/96	Member will be able to reinstate, once member has established one-tenth of a year of credit. Also, member does not have to be vested in order for their reinstatement to become qualified and added to their account. Members will be able to re-apply after the original application expires.
Fall 97	Procedures put in place to accept rollovers from other institutions as long as they meet acceptable criteria as formulated by our legal counsel.
08/28/98	<b>Reinstatement</b> -- If a member had a previous membership which was forfeited when they terminated their employment and withdrew their accumulated contributions and interest, <u>the member may now reinstate less than the total service forfeited.</u> The deadline to complete payment cannot exceed the length of the period being reinstated. <i>Example:</i> if a member forfeited three years of membership credit, <u>payment must be completed within three years</u> of filing the reinstatement application.
8/28/03	Removed payment deadlines on reinstatement – once a reinstatement application is filed, it remains open until payment in full is made or the membership terminates.

## RETIREMENT FORMULAS

11/65	First Formula used .75 of 1% x \$50.00 + .35 of 1% x final average salary over \$50.00 Based on earnings for 10 best consecutive years
10/69	Amended to .85 of 1%
10/73	Amended to 1%
10/77	1% Based on earnings for 5 best consecutive years Full benefits at age 60
10/81	Formula increased to 1 1/8%
04/86	Formula increased to 1 1/4%
08/28/91	Value of prior service credit increased to 6/10

05/95            Formula increased to 1.35%

08/96            25 & out (2 year window) September 1, 1996, through July 1, 1998. This will be  
                      based on a sliding scale formula.

25 - 25.9	1.25%
26 - 26.9	1.27%
27 - 27.9	1.29%
28 - 28.9	1.31%
29 - 29.9	1.33%

08/28/97        Cap Set in Final Average Salary (FAS) Definition -- Board of Trustees to set a  
                      percentage cap from one year to the next in the Final Average Salary period.

08/28/98        20% Cap Set for Final Average Salary (FAS) for retirees retiring with an effective date  
                      of retirement for August 1, 1998.

08/28/98        25 & out window extended through July 1, 2000. Formula factors remained the same.

07/01/99        Formula increased to 1.45%, 25 & out formulas increased to:

25 - 25.9	(1.35)
26 - 26.9	(1.37)
27 - 27.9	(1.39)
28 - 28.9	(1.41)
29 - 29.9	(1.43)

07/01/00        Formula increase to 1.51%  
                      3-yr. Final Average Salary  
                      Rule of 80 adopted (age + service)  
                      .4% temporary benefit for those qualifying for Rule of 80 and 30 & out.  
                      (.4% drops off the member's benefit at minimum SS age, currently 62)  
                      25 & out extended until 7/1/03, formulas increased to:

25 to 25.9 yrs.	= 1.41%
26 to 26.9 yrs.	= 1.43%
27 to 27.9 yrs.	= 1.45%
28 to 28.9 yrs.	= 1.47%
29 to 29.9 yrs.	= 1.49%

07/01/01        Formula increase to 1.61%  
                      .8% temporary benefit for those qualifying for Rule of 80 and 30 & out.  
                      (.8% drops off the member's benefit at minimum SS age, currently 62)  
                      25 & out formulas increased to:

25 to 25.9 yrs.	= 1.51%
26 to 26.9 yrs.	= 1.53%
27 to 27.9 yrs.	= 1.55%
28 to 28.9 yrs.	= 1.57%
29 to 29.9 yrs.	= 1.59%

07/01/03        Extended 25 and out (Modified Formula) window for 5 years through July 1, 2008 (was  
                      through July 1, 2003).

08/28/03        Initiated a Partial Lump Sum Option available to members meeting eligibility requirements, i.e.  
                      three years beyond normal retirement. Lifetime monthly benefits actuarially reduced in

exchange for the right to receive a one-time lump sum payment at retirement equal to 12, 24, or 36 times the Option 1 – Single Life benefit amount. September 1, 2003 – first date a member could choose PLSO if they qualify.

Prohibited enactment after July 1, 2003, of legislation to increase benefits to members or retirees above that which may be funded using a 5% contribution rate based on actuarial valuation, except for the extension of 25 and out.

07/01/07      Extended 25 and out (Modified Formula) window for 5 years through July 1, 2013 (was through July 1, 2008).

## MISCELLANEOUS

09/28/77      Any interest in member's account would be paid at withdrawal. Previously, member had to have 5 years of membership service credit to receive interest in account.

1980/81      Began mailing Statements of Account to individual rather than bulk mailing to school district.

04/01/83      Tax request added to APPLICATION FOR WITHDRAWAL regarding interest paid.

09/28/83      Vote given to active and retired members of NTRS for Board members

08/13/84      NTRS member eligible for PSRS coverage could elect continued NTRS coverage-- cutoff date 07/01/85.

04/29/86      Special 5 year vesting in NTRS & PSRS.\*  
\* No longer necessary since five year vesting was extended to all members on 08/13/88.

06/19/87      Employment after retirement changed from 60 days to 360 hours as temp sub 70 year old mandatory retirement abolished (effective 01/01/87)

09/28/87      School Group Insurance (health) provision for extended coverage to retirees and spouses (effective plans renewed after 12/31/87).

07/01/88      Procedural change in granting credit from months to years  
07/88 through 07/93 benefits will continue to be calculated old way (60 months)/new way (5 years), whichever is best until 07/01/93. At that time only new way will be calculated.

08/13/88      Vesting changed from 120 months to 5 years.  
Reduced benefits available at age 55

05/30/90 -- wording changed to include election of options for those taking reduced benefits.

Full benefits with 30 years

Employment after retirement amended to 60 days or 360 hours, whichever is greater.

Purchase of unpaid sick leave (will be Non-EPU)

- 06/14/89      Amendment to health insurance to offer retiree coverage at same premium as others in the group.
- Division of NTRS benefits at divorce (handled the same as Social Security)
- 06/30/89      Electronic Fund Transfer became available.
- 07/01/89      Benefits became subject to Missouri State Income Tax.
- Employer Pickup became effective. All contributions remitted by employees after 07/01/89 are deemed tax deferred. All contributions prior to 07/01/89 are considered previously taxed income.
- All purchases (sick leave, reinstatements, junior college) and corrections will be considered Non-EPU (previously taxed).
- 05/30/90      Retirement board expansion -- increased from 5 to 7 Board members; one to be elected from active NTRS membership & one to be elected from active PSRS.
- 06/90          Procedural change to calculate exclusionary percent on disabilities when they reach age 55.
- 08/90          WD Certification and register will show credit in years.
- 08/91          Benefits may be divided in same manner as any federal old-age survivors or disability benefits. Current social security law does not allow for any division.
- 07/92          Started giving exclusion amount to retirees rather than exclusion %.
- 01/93          Federal law mandated 20% withholding on lump sum distributions unless directly transferred or rolled over -- AFWD & AFDB (spouse only) changed to include provisions for direct rollover.
- 05/94          Retirees may now, by statute, name a trust or other individual as their beneficiary to receive any unused accumulated contributions and interest. Those taking optional retirement plans can also name a trust or other individual to receive any funds not paid to the retiree and their optional plan beneficiary.
- 07/01/95      Non-traditional full-time certificated employees (i.e. four days a week at 10 hours per day) who previously were not allowed PSRS membership will now be required to belong to PSRS. Those who already have NTRS membership will be given the option to elect continued NTRS membership rather than be forced into PSRS. All new employees in this type of employment would not have a choice.
- 08/01/95      Member may choose to remit or not to remit on lump sum unused vacation payment at retirement.
- 08/28/95      Employment after retirement changed --A retiree may serve up to 550 hours in a school year as a temporary substitute for a school district in NTRS and still be eligible for monthly benefits. If the service exceeds the 550-hour limit, retirement payments will stop until the employment ends or a new school year begins.
- 08/28/95      PSRS law was changed to allow payment of a retiree's check for the month in which they died to their beneficiary. Through regulation NTRS was able to pay the final check to the

retiree rather than the beneficiary.

- 02/20/96 Health insurance premiums will now be required as compensation for retirement purposes. Senate Bill 857.
- 08/28/96 Terminations will be as follows: NTRS membership will occur after five consecutive "school years" of no credit instead of "more than four of any five". Interest will be credited on June 30 of the fifth year.
- 08/28/96 SB860 allows NTRS to charge districts interest and will not be enforced for one year. June 30, 1997 will be the first year to be enforced. The fiscal year, will begin June 30, 1997. After this date, it may be monthly depending on how EMERS is designed.
- 08/28/97 (Retroactive to 7/1/97) Post-Retirement Employment for NTRS-- Not only includes "temporary substitute" employment but also "part-time" employment up to 550 hours in a school year.
- 08/28/97 Mandatory Direct Deposit -- A phased approach will require direct deposit for new benefit recipients by January 1, 1998, and for all benefit recipients by January 1, 1999.
- 08/28/97 Payment for Month of Death for Survivors and Beneficiaries-- This will allow a benefit payable to survivors or beneficiaries for the month in which the NTRS survivor or beneficiary dies. Previously, the person had to survive the entire month before any payment would be made.
- 08/28/97 Account Balance to Beneficiary's Estate Instead of Member's-- The balance remaining in a member's account after the death of the retiree (member) and the death of the survivor option beneficiary will go to the beneficiary's estate. The same is true when Option 2 (monthly benefits) is selected following a death before retirement. This does not diminish the member's ability to designate a residual payee if so desired.
- 08/28/97 Default Changed for Part-time Election-- Part-time certificated employees are now automatically in PSRS unless they elect otherwise within 90 days of employment as a part-time certificated employee. The default was changed so a person working 20 or more hours per week for a district, and holding a teaching certificate, would automatically be a PSRS member, with an option to elect NTRS membership.
- 08/28/97 Compensation Definition-- Districts that offer dental and vision insurance as a part of their benefit package must now include the vision and dental as compensation that is reported to the retirement system.
- 08/28/98 SB733 -- Independent Contractors -- Individuals who qualify as independent contractors under the common law and are treated as such by their employer shall not be considered employees for purposes of membership in our contributions to NTRS.
- 08/28/98 Board of Trustees restructured, taking off the Commissioner of Education ex-officio position and allowing the governor to appoint three members to the board. The governor appointees cannot be a state employee, member of either system or a legislator.
- 04/00/99 NTRS began using new database (Y2K compliant).
- 07/01/99 CCS/HS/HCS/SCS/SB 308 & 304
- 7.4% increase applied to all NTRS benefit recipient amounts.
  - Special vesting provision – allows retirees who go back to work to establish a second benefit with as little as one year of service.

07/01/00	<p>CCS/SS/SCS/HB 1808</p> <ul style="list-style-type: none"> <li>- Formula increased to 1.51%</li> <li>- 3.4 % ad hoc retiree increase</li> <li>- Rule of 80 instituted</li> <li>- .4% temporary benefit until age 62 for those qualifying for Rule of 80 and 30 &amp; out</li> <li>- increases contribution CAP to 5.0 %</li> <li>- 36 month FAS</li> <li>- 25 &amp; out extended and formula amounts increased</li> </ul>
07/01/01	<p>SS/SCS/HCS HB 660</p> <ul style="list-style-type: none"> <li>- Formula increases to 1.61%</li> <li>- 7.1% ad hoc retiree increase</li> <li>- .8% temporary benefit until age 62 for those qualifying for Rule of 80 and 30 &amp; out</li> <li>- 25 &amp; out formula amounts increased</li> <li>- NTRS membership for statewide associations meeting the provisions of statute Mo. Revised 169.650.5</li> </ul> <p>SS/SCS/HB 660 and SB 316</p> <p>Retirement credit recognition agreements (reciprocity) between NTRS, PSRS, Kansas City Teacher System and St. Louis Teacher System. Requires that the four systems to enact rules recognizing service in each system toward retirement eligibility. July 1, 2003 was the first time NTRS retirees could elect to retire under this agreement.</p>
8/28/03	<p>HB 346 &amp; 174</p> <p>Prohibited enactment after July 1, 2003, of legislation to increase benefits to members or retirees above that which may be funded using a 5% contribution rate based on actuarial valuation, except for the extension of 25 and out.</p> <p>Allowed retirees to return to work full-time in a covered position for up to two years without losing retirement benefits provided the district meets certain requirements with restrictions in the number of retirees which could be hired in a school year.</p> <p>Provided a member wishing to obtain health insurance coverage through his/her district must make that election within one year of the date of last employment date (was within one year of date of retirement).</p>
8/28/05	<p>HB 443</p> <p>Changes the name of the Non-Teacher School Employee Retirement System (NTRS) to the Public Education Employee Retirement System (PEERS);</p> <p>Excludes from the definition of "salary" employer-paid premiums for medical insurance for a spouse and children and employer contributions to deferred compensation plans;</p> <p>Allows certain information related to investment activities to be closed under Chapter 610, RSMo, in order to protect PSRS and NTRS investment returns;</p> <p>Adds a provision to the term-certain retirement options that upon a member's death prior to receiving all guaranteed monthly payments and the total of all guaranteed payments to the retired individual and their beneficiary are less than the member's accumulated contributions, the difference will be paid to the beneficiary in a lump sum;</p> <p>Provides for the order of distribution on any benefits payable upon the death of a member or a deceased member's beneficiary;</p>



Specifies that if a member of PSRS has received disability retirement, he or she is not eligible to elect a distribution under the partial lump sum option plan. This provision is already in the NTRS;

Allows the NTRS to establish a qualified governmental excess benefit arrangement plan (QGEBA).