

THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

A chronological review of
legislation and development
1945 - 2008

By Topic

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The Public School Retirement System of Missouri

The Public School Retirement Act of Missouri was introduced early in the Sixty-third session of the General Assembly as House Bill 151. This bill passed the House without amendment, was amended in the Senate, and was finally approved by the Governor on May 24, 1945. The act became effective on August 1, 1945.

The Public School Retirement System of Missouri was created by the adoption of the Public School Retirement Act of Missouri and its approval by the Governor, and became operative on July 1, 1946. Missouri was the forty-seventh state to adopt legislation leading to a state teachers' retirement system.

The adoption of the legislation in 1945 was the culmination of efforts spread over many years. The Missouri State Teachers' Association at its forty-sixth annual meeting held at Joplin, Missouri, on December 26, 27, 28, 1907, adopted the following resolution:

"Resolved, That in view of the fact that the well-being of the state is so intimately associated with that of the teacher, and in view of the increased cost of living, we recognize the urgent necessity for increased salaries of teachers of all grades, and we recommend to the favorable consideration of our State Legislature the passage of a law, looking to the care and support of superannuated teachers, and empowering boards of directors in cities of a certain size to retire their teachers on an emeritus basis."

After adoption of the resolution, no official action was taken and no committee was appointed to sponsor the resolution for the purpose of obtaining legislation. Shortly after the adoption of the resolution, the question of the constitutionality of teachers' pensions for Missouri was raised.

In its annual meeting in 1908, the Missouri State Teachers' Association adopted a resolution requesting the legislature to submit to the voters an amendment to the constitution which would have legalized the use of school monies for granting relief to teachers who became mentally or physically incapacitated for further efficient services.

The legislature in 1909 passed a resolution to submit a constitutional amendment to the voters of the state in the General Election of 1910. This constitutional amendment would have made it possible for school districts in cities of 100,000 population or more to create, maintain, and manage a fund out of school monies for pensioning public school teachers, with the provision that all funds used for such purposes must have come from local sources. This amendment was submitted to the voters in the General Election of 1910 and failed to pass.

Numerous resolutions were adopted by the Missouri State Teachers' Association in the years following 1910. No important progress was made until in the annual meeting of the Association in 1933. In that meeting, the Association approved a resolution which, in essence, called for a constitutional amendment to remove the barrier to the enactment of teacher retirement legislation, and that such amendment be proposed through use of the initiative petition. The required number of signatures was secured and the amendment was placed on the ballot in the General Election of November, 1934. The voters of the state rejected the proposed amendment by a majority of approximately 28,000 votes.

The executive committee of the Missouri State Teachers' Association approved the necessary procedures to again attempt to submit the constitutional amendment to the voters in the General Election of November, 1936. Sufficient signatures for the initiative petitions were obtained and the amendment was submitted in the General Election of 1936. The voters approved the amendment with a majority of approximately 144,000 votes.

A proposed bill was approved by the executive committee of the Missouri State Teachers' Association on February 19, 1937, and was introduced in the House on February 26, 1937. This bill failed to be passed by the House. Bills were prepared and introduced in each regular session of the General Assembly until the passage of House Bill 151 by the Sixty-third General Assembly in May, 1945. The proposed act, as enacted in 1945, was amended twice in that same session of the General Assembly. The first amendment extended membership to the full-time certificated "teachers" of the state colleges and state teacher colleges. A later amendment provided that prior service credit would be allowed for time spent in the armed forces during a period of war if the member was a teacher at the time of his induction.

The retirement law has been amended many times since the Retirement System became operative on July 1, 1946.

COLA

9/28/75 – added to retirement law-Annual maximum allowance set at 2% -eligibility 4th January

8/13/80 – Maximum set at 24%--Annual maximum allowance increased to 4%

8/13/84 – Maximum increased to 32%

4/29/86 – Maximum increased to 40%

6/14/86 - Maximum increased to 52%

5/30/90 - Maximum increased to 56%

8/28/91 – Annual maximum allowance increased to 5%

8/28/92 - Maximum increased to 65% (to be effective 1/1/95)

8/26/96 - Maximum increased to 75%

7/01/00 - Maximum increased to 80% --changed eligibility to 3rd January

7/01/01 - Changed eligibility to 2nd January

Breakdown of yearly increases:

1977 – 2%

1978 – 2%

1979 – 2%

1980 – 2%

1981 – 4%

1982 – 4%

1983 – 4%

1984 – 2.6%

1985 – 4%

1986 – 3.7%

1987 – 1.7%

1988 – 3.7%

1989 – 4.0%

1990 – 4.0%

1991 – 4.0% (compounded)

1992 – 4.7%

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 retired 1973 or before reached maximum—No COLA, those retired 1974 reached lifetime COLA cap & received 1.1%, and those retired 1975 reached lifetime COLA and received 2.55%

**Those retired 1975 or earlier reached maximum—No COLA, those retired 1976 reached lifetime COLA cap & received 0.910%, and those with a retirement date of 1977 reached lifetime COLA cap and received 2.4%

*** Those retired 1977 of before reached lifetime COLA cap & received 1.040%

****Those retired 1977 or before reached maximum—No COLA, those retired 1978 reached lifetime COLA cap & received 1.8%

*****Those retired 1978 or before reached COLA lifetime COLA cap & received 2.86%

*****Those retired 1978 or before reached maximum—No COLA, those retired 1979 reached lifetime COLA cap & received 2.07%

*****Those retired 1979 or before reached maximum—No COLA

*****Those retired 1979 or before reached maximum—No COLA, those retired 1980 reached lifetime COLA cap & received 0.89%.

*****Those retired 1980 of before reached maximum—NO COLA, those retired 1981 reached lifetime COLA cap & received 0.93%

*****Those retired 1981 or before reached maximum—NO COLA. Those retired 1982 reached lifetime COLA cap & received 1.05%

*****Those retired 1982 or before reached maximum—NO COLA. Those retired 1983 reached lifetime COLA cap & received 1.79% and those retired 1984 reached lifetime COLA cap & received 3.35%.

***** Those retired 1984 or before reached maximum—NO COLA. Those retired 1985 reached lifetime COLA cap & received 2.48%.

Miscellaneous Legislative/ad hoc retiree increases

1972 Provided for the employment of retired members as special school advisors and supervisors upon application, and for payment to be made to these members by the retirement system (**HB613**). This was an attempt to improve the benefits for members who were retired with small allowances, retiring after June 30, 1957, and prior to January 1, 1971, receiving less than \$150.00 per month. (Benefit was \$5 times years of creditable service not to exceed \$75 {\$150 total benefits}. Earliest effective date was February 1973.)

9/28/75 Provided COLA increases effective January 1, 1977, (or at the time the retiree has been retired 4 January firsts) in the retirement allowances paid to retired members or beneficiaries of 2% the amount received at the time of retirement; or of 2% the amount received after adjustment if the member was retired prior to September 1, 1972. The Board of Trustees is charged with determining that the cost of living has increased in the preceding fiscal year before a payment will be authorized.

Provided the Board of Trustees may reduce the amounts which have been granted as increases to a member because of increases in the cost of living. The reduction cannot exceed the amount of increases that have been made to the member's allowances after December 31, 1976.

- 8/28/95 Provided upon application \$2 x years of credit to pre-6/94 retirees receiving less than \$24,000 annually under Chapter 169; \$60/month maximum first effective with September 30, 1995, benefit.
- 8/26/96 Eliminated application requirement and deleted the \$24,000 cap for eligibility for the \$2 supplemental benefit. (Effective September 1, 1996, with September 30, 1996, payments.)
- 7/1/98 Provided 8.7% increase to all retirees and beneficiaries (SR,DR,BA) receiving retirement-based benefits as of June 30, 1998. (Effective with July 31, 1998, benefit.)
- 7/1/99 Increased monthly retirement benefits of retirees and beneficiaries of retirees by \$5 times years of creditable service. (Effective with July 31, 1999, benefit.)
- Allowed a catch-up payment per month of \$2 times years of service (maximum \$60) for certain beneficiaries of members retired prior to May 26, 1994, and who died before September 1, 1995. (Applicable **September 1, 1999**, and first paid in September 30, 1999, payment.)
- 7/1/00 Provided 3.5% benefit increase to all retirees and beneficiaries receiving retirement-based benefits (SR,DR,BA,DD) as of June 30, 2000. (Effective with July 31, 2000, benefit.)
- 7/1/01 Increased monthly retirement benefits of retirees and beneficiaries of retirees retired prior to July 1, 2001, by \$3.00 times years of creditable service. (Effective with July 31, 2001, benefit.)

CONTRIBUTION RATES

1946 – 3% (Maximum salary \$1,800)
 7/1/47 – 4% (Maximum salary \$1,800)
 1950 – 4% (Maximum salary increased to \$3,000)
 1953 – 4% (Maximum salary increased to \$4,800)
 1957 – CAP raised to 6%
 7/1/57 – 6% (Maximum salary increased to \$8,400)
 1965 – 6% (Maximum salary increased to \$12,600)
 1967 – 6% (Maximum salary language removed) CAP raised to 8%
 7/1/68 – 8%
 1972 – CAP raised to 9.5%
 7/1/76 – 9.5%
 9/28/77 – CAP raised to 10.5%
 7/1/87 – 10.0%
 5/26/94 – CAP raised to 11.5%
 7/1/95 – 10.5%
 8/28/03 – CAP removed, rate may increase by 0.5% a year as needed
 7/1/04 – 11%
 7/1/05 – 11.5%
 7/1/06 – 12%
 7/1/07 -- 12.5%

- 1961 Provided members contributing to the OASI program because of membership in the retirement system would contribute two-thirds the rate set by the Board of Trustees and would receive two-thirds the amount of the benefits provided in the law. This provision was to be implemented for those with prior membership through the right of electing to make retroactive payments.

- 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)].
- Prohibited enactment after July 1, 2003, of legislation to increase benefits to members or retirees above that which may be funded using a 10.5% contribution rate based on actuarial valuation, except for the extension of 25 and out or the 2.55% formula provisions.
- 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

- 1946 Disability retirement available if member is between age 40 and 60 with the benefit at 90% as though age 65.
- 1953 Provided a minimum disability retirement allowance of 30% of one-twelfth of the annual salary rate earned by the member during the last year of service.
- 1957 Provided the minimum guarantee for members retired because of disability should be increased to 45% of one-twelfth of the annual salary rate for the last year of service.
- 1967 Provided a member retired with disability could receive a minimum guarantee of 50% of one-twelfth of the annual salary rate for the last year of service.
- 1972 Permitted Disability Retirement any time prior to the attainment of age 65.
- 9/28/75 Permitted Disability Retirement any time prior to the attainment of age 60 (SB149).
- 9/28/77 Eliminated requirement for repayment of disability benefits as deduction from regular benefits at normal retirement when disabled member recovered.
- 8/13/84 Reduced minimal service requirements for disability benefits from 8 years to 5 years.

Reduced qualifying period for reinstatement of withdrawn credit for disability retirant (3 years plus reinstatement must equal 7 years minimum).

8/13/88 Disability retirant may have reinstatement payments deducted from disability payment--not required.

5/30/90 Lowered reinstatement qualification for Disability Retirement eligibility to 3 years plus reinstatement equals 5 years (was 3 plus reinstatement equals 7).

8/28/93 Provided refund of out-of-state credit partial payments by a disability retiree if credit not used to compute benefits. (SB126)

8/28/95 Provided upon application \$2 x years of credit to pre-6/94 retirees receiving less than \$24,000 annually under Chapter 169; \$60/month maximum first effective with September 30, 1995, benefit.

Provided minimum SR/DR payments based on non-reduced benefits (and considering 613's) upon application and first effective with September 30, 1995, benefit for:

30 and more years - \$1100	20 – 24.9 years - \$800
25 - 29.9 years - \$1000	15 – 19.9 years - \$600

8/26/96 Provided payment for month of retiree's death is due the retiree.

Eliminated application requirement for minimum benefits.

Raised minimum benefit to \$1,200 (from \$1,100) for 30 and over years of service. (Effective September 1, 1996, with September 30, 1996, payments.)

Eliminated age reduction for 25 and 30 year minimum benefit. (Effective September 1, 1996, with September 30, 1996, payments.)

8/28/97 Mandated electronic funds transfer for NEW retirees and benefit recipients effective January 1, 1998, and all others as of January 1, 1999. (Exceptions allowable; policies to be established)

7/1/98 Provided 8.7% increase to all retirees and beneficiaries (SR,DR,BA) receiving retirement-based benefits as of June 30, 1998. (Effective with July 31, 1998, benefit.)

7/1/99 Increased monthly retirement benefits of retirees and beneficiaries of retirees by \$5 times years of creditable service. (Effective with July 31, 1999, benefit.)

7/1/00 Disability benefit to be considered normal retirement benefit if member is at least 55 with 25 years of credit---for Social Security purposes ONLY.

Provided 3.5% benefit increase to all retirees and beneficiaries receiving retirement-based benefits (SR,DR,BA,DD) as of June 30, 2000. (Effective with July 31, 2000, benefit.)

7/1/01 Benefit preservation language under 26 USC 415 (M). This section allows PSRS to pay benefits and collect contributions as established in state law. (Excess benefit plan.)

Increased monthly retirement benefits of retirees and beneficiaries of retirees retired prior to July 1, 2001, by \$3.00 times years of creditable service. (Effective with

July 31, 2001, benefit.)

8/28/05 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 (HB443)

SERVICE RETIREMENT

9/1/53 Provided a member who had attained age 65 prior to retirement could elect to receive a reduced allowance during the period of the member's lifetime in order to provide, after death, a benefit for a designated beneficiary having an insurable interest in the life of the member.

1957 Provided a member with 30 or more years of creditable service might retire, without regard for age, with a reduced benefit calculated as the actuarial equivalent of the amount to which the member would have been entitled had the member been age 65 at the time of retirement.

1967 Provided a member retiring at age 60 or thereafter or who had 40 years of creditable service might request an option to provide a survivorship payment for a designated beneficiary with an insurable interest in the life of the member.

9/28/75 Provided a member whose age at retirement is 60 years or more or whose creditable service is 30 years or more may elect, at the time of retirement, an option to provide a benefit for a surviving dependent.

9/28/77 Implemented full retirement benefits with 30 years of credit and age 55.

Reduced retirement available with 25 years of credit (if less than age 60) at any age.

9/28/79 Removed requirement for age 55 from 30-and-out law; allowed full benefits with 30 years of credit (if less than age 60) at any age.

9/28/83 Provided "pop-up" option, wherein retirement benefit is restored to full amount if named beneficiary pre-deceased the retirant. (Effective with October 1983 retirement date.)

8/13/84 Required new retirant to certify that spouse is aware of retirement application and the plan of retirement elected.

9/28/87 \$300 minimum Regular Retirement benefit for those retired as of September 28, 1987 (effective with September 30, 1987, check) with at least 20 years of creditable service. The minimum is before age, option, or 2/3 reductions and includes other retirement benefits.

8/13/88 Actuarially reduced benefits available if member at least age 55 with 5 years credit. (By regulation, extended right of electing optional benefits for members and designated spouses.)

6/14/89 Provided \$300 minimum Regular Retirement benefit if member has acquired at least 20 years of credit. (removed September 28, 1987, date) The minimum is before age, option, or 2/3 reductions and includes other retirement benefits. (HB610) (Effective with June 30, 1989, benefit.)

8/28/89 Clarified the election of an option permitted for a member retiring at age 55 with at least 5 years of credit. (HB600)

- 5/30/90 Provided Regular Retirement minimum benefit of \$600 for those who have established at least 30 years of credit with PSRS--before age, option, or 2/3 reductions and excludes other retirement benefits. (Effective with May 31, 1990, benefit)
- 8/28/91 Provided full service retirement benefit for member at least age 55 with at least 25 years creditable service.
- Provided Regular Retirement minimum benefit of \$600.00 for those who have established at least 20 years of creditable service with PSRS--before age, option, or 2/3 reductions, and excludes other retirement benefits (was 30 years). (Effective with August 31, 1991, benefit.)
- 5/6/93 Permitted a retiree under a joint survivor option who is widowed or divorced from the spouse nominated at retirement to name a successor spouse, if done within 90 days of date of law or remarriage, whichever is later. If by reason of divorce, decree must specify sole retention by retiree of rights to PSRS benefits.
- 8/28/93 Permitted "pop-up" for pre-October 1983 retirees if named beneficiary predeceases retiree. (SB126)
- 5/26/94 Provided Regular Retirement minimum benefit of \$800 for those who have established at least 25 years of creditable service with PSRS--before age, option, or 2/3 reductions, and excludes other retirement benefits. (Minimum of \$600 with 20 years remains.) (Effective with May 31, 1994, benefit.)
- Added Options 2-75% and 4-75% providing a 75% benefit payable to designated beneficiary at death of retiree.
- 8/28/95 Instituted new Retirement Plans: *pop-up
- | | |
|-------------------------|------------------------------|
| Opt. 1 - Single Life | Opt. 4 - 50% Survivor * |
| Opt. 2 - 100% Survivor* | Opt. 5 - 120-mo term certain |
| Opt. 3 - 75% Survivor* | Opt. 6 - 60-mo. term certain |
- Permitted retirement July 1, 1996, through July 1, 1998, if under age 55 with at least 25 years of credit under modified formulas:
- | | |
|--------------------------|--------------------------|
| 25 - 25.9 years at 2.0% | 28 - 28.9 years at 2.15% |
| 26 - 26.9 years at 2.05% | 29 - 29.9 years at 2.20% |
| 27 - 27.9 years at 2.10% | |
- Provided minimum SR/DR payments based on non-reduced benefits (and considering 613's) upon application and first effective with September 30, 1995, benefit for:
- | | |
|----------------------------|-------------------------|
| 30 and more years - \$1100 | 20 - 24.9 years - \$800 |
| 25 - 29.9 years - \$1000 | 15 - 19.9 years - \$600 |
- 8/26/96 Raised minimum benefit to \$1,200 (from \$1,100) for 30 and over years of service. (Effective September 1, 1996, with September 30, 1996, payments.)
- Eliminated age reduction for 25 and 30 year minimum benefit. (Effective September 1, 1996, with September 30, 1996, payments.)
- Provided payment for month of retiree's death is due the retiree.
- Eliminated application requirement for minimum benefits.
- 8/28/97 Deleted provisions for minimum benefits for 20 year/\$600 and 25 year/\$800. (No longer applicable after SB378 [1995] and SB860 [1996].)

- Mandated electronic funds transfer for NEW retirees and benefit recipients effective January 1, 1998 and all others as of January 1, 1999. (Exceptions allowable; policies to be established.)
- 7/1/98 Extended 25 and out window through July 1, 2000 (was July 1, 1996, through July 1, 1998).
- 7/1/99 Added “rule of 80” making the 2.5% formula factor available for a member whose age plus credit equals 80.
- 7/1/00 Extended 25 and out (Modified Formula) window for 3 years through July 1, 2003 (was through July 1, 2000).
- 7/1/01 Benefit preservation language under 26 USC 415 (M). This section allows PSRS to pay benefits and collect contributions as established in state law. (Excess benefit plan.)
- 7/01/03 Extends 25 and out (Modified Formula) window for 5 years through July 1, 2008 (was through July 1, 2003).
- 8/28/03 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.
- 8/28/07 Approved a 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

- 1949 Provided a member could qualify to receive prior service credit if the member returned to teaching before July 1, 1950, and served for 7 years subsequent to that return and prior to retirement.
- 9/1/53 Provided a member who taught before July 1, 1946, could qualify prior service credit by teaching one-half the number of years between July 1, 1946, and the date on which age 65 is attained.
- Provided up to 5 years of prior service credit could be allowed for teaching service out of Missouri before July 1, 1946, and that membership service credit could be purchased for services out of Missouri after July 1, 1946, if the member claiming the credit was not eligible

- for a benefit from another system because of the out-of-state service. Maximum of 10 years of out-of-state credit.
- 9/28/79 Prior Service qualifying time reduced to one-half the number of years between July 1, 1946, and member's attainment of age 60 (previously age 65).

PURCHASES

- 9/1/53 Provided a member could purchase credit for time spent in the armed forces during an emergency involving national defense after July 1, 1946, and which interrupted teaching.
- Provided up to 5 years of prior service credit could be allowed for teaching service out of Missouri before July 1, 1946, and that membership service credit could be purchased for services out of Missouri after July 1, 1946, if the member claiming the credit was not eligible for a benefit from another system because of the out-of-state service. Maximum of 10 years of out-of-state credit
- 1957 Provided an additional period for members to claim credit for services out of Missouri, or for service in the armed forces during an emergency involving national defense, and for members to elect to reinstate creditable service previously forfeited.
- 1967 Allowed purchase of credit for service at University of Missouri or Lincoln University--same section as out-of-state purchase.
- Reopened the period in which a member could claim credit for teaching services out of Missouri (within 5 years of PSRS employment or before July 1, 1968, whichever is later), for services as a member of the armed forces, and the period in which a member might elect to reinstate creditable service previously forfeited.
- 9/28/81 Reopened out-of-state (within 5 years of PSRS employment or before July 1, 1983, whichever is later) and interrupted military credit purchase period.
- Made provision for purchase of credit for military service prior to teaching--must enter Missouri teaching within 5 years of discharge and apply prior to September 28, 1986.
- Liberalized purchase of credit for Kansas City or St. Louis teaching--must apply prior to September 28, 1986, and could purchase up to 10 years.
- 8/13/84 Military credit purchase rights extended to those having served in Kansas City or St. Louis. (HB1470)
- 9/28/85 Changed time period for entering Missouri teaching after military from 5 years to 8 years and application deadline from September 28, 1986, to September 28, 1987.
- 4/29/86 Changed time period for entering Missouri teaching after military from 8 years to 10 years.
- 8/13/86 Creditable service given with MOSERS for withdrawn PSRS "state" credit not vested (other than Higher Education). 105.372.(3)
- 6/19/87 Permitted election to purchase out-of-state service within 10 years of PSRS membership or prior to June 19, 1997, whichever is later.

Military

- a. If interrupted teaching, may elect to purchase within 5 years of reemployment or prior to September 28, 1988, whichever is later.
- b. Section 6 (Underwood) Purchase full year of credit for military service if in active duty for full period of teaching contract.

Removed "vesting" and "limiting date" for transfer under 105.372.(3).

8/13/88 PSRS teaching time to qualify out-of-state credit may be after initial date of PSRS service following out-of-state service, not after date of election to purchase. (Applied to applications on file at effective date of law.)

Allowed re-application by a member failing to pay out-of-state application within time limit of application (if applied on or before August 13, 1988). (Applied to applications on file at effective date of law.)

Provided any MOSERS member may buy up to 2 years of PSRS credit for MOSERS service. Requires employee-employer contributions, interest. (Hagan-Harrell)

Member on leave at 1/2-pay may secure credit on basis of full pay--same as present regulation.

Member may purchase retroactive credit for leave-time at 1/2 pay prior to August 1, 1974. Must elect within 2 years of August 13, 1988, pay employee and employer contributions then in effect, plus interest. Must pay at date of election.

Any former employee of CMSU PSRS member with 8 or more PSRS years may transfer CMSU credit to MOSERS same as June 30, 1987, state employee members under HB713.

MOSERS membership election, refund, social security referendum dates extended 1 year for DESE members. (Effective June 21, 1988.)

State employees may secure MOSERS credit for any previous state employment PSRS credit forfeited at withdrawal--formerly excluded college service. (HB1643)

Any certified member may receive full credit while on sick leave or workers' compensation if full employee contributions remitted and matched by employer.

6/14/89 Allowed legislators or legislative employees to claim credit with MOSERS for junior college teaching, with PSRS making payment to MOSERS of employer contributions. (HB610)

Allowed DESE members--with favorable social security referendum vote--to: (HB610)

- a. receive refund after January 1, 1990, of state contributions, remain within PSRS with state paying future costs, and accrued liability,
or;
- b. receive refund of state contributions and transfer to MOSERS effective January 1, 1990, with PSRS paying "liability" to MOSERS.

Same as above provisions (a) & (b) for remaining college and university members, without need for referendum. (HB610)

Allowed any PSRS retiree formerly employed by CMSU to receive refund of accumulated contributions, less benefits received, forfeit all benefits with PSRS, and receive retirement benefits for CMSU credit established with MOSERS. PSRS pays to MOSERS the total contributions remitted for member as an employee of CMSU. (HB610)

8/28/89 Reopened purchase rights for prior military for 2 years. (SB146)

Reopened purchase rights for teaching in St. Louis or Kansas City for 5 years - maximum purchase of 10 years. (HB600)

5/30/90 Initiated purchase of unpaid Maternity Leave (which began prior to August 13, 1988); up to 2 years for a 2-year filing period.

Opened for 2 years (until May 30, 1992) the period during which a member may elect to purchase "interrupted" military credit.

8/28/92 Removed filing date for application to purchase time in military prior to PSRS membership; retained 5 year payment period. (Filing date had been August 28, 1991) (HB926)

Created right of inter-system credit purchases among most Missouri public retirement systems. (SB499) {Reciprocity}

8/28/93 Provided refund of out-of-state credit partial payments by a disability retiree if credit not used to compute benefits. (SB126)

Permitted vocational teacher--with certificate based on college degree--to purchase up to 2 years of retirement credit for required work experience. (SB126)

Permitted PSRS member to purchase pro-rata credit for previous certificated NTRS service within 5 years of law or 5 years of PSRS membership, whichever is later. (SB126)

Permitted payment for purchase of credit for Kansas City or St. Louis City service to be made over length of time purchased (previously payment had to be lump sum). (SB126)

Corrected language in reciprocity of credit between state retirement systems legislation originally enacted in 1992. Possible through transfer or purchase. (HB733 & SB363)

5/26/94 Removed filing date for application to purchase time in military which interrupted PSRS membership.

Removed filing date for application to purchase credit for maternity leave.

Eliminated age 65 limitation for sick leave credit purchase.

Removed 'consecutive' from 2-year vocational-technical purchase requirement.

Permitted purchase of vocational-technical work experience if previously certificated (removed current certification need).

Provided for purchase of credit for service in private elementary or secondary school.

5/31/95 Reopened filing period for purchase of KC/St. Louis credit.

- 8/28/95 Revised unpaid maternity leave purchase to (1) include paternity leave (2) buy up to 4 years of credit (was 2 years max), and (3) deleted requirement that the leave commenced prior to August 13, 1988.
- Revised purchase cost of vocational-technical work experience to be based upon initial PSRS salary after the work experience (was initial PSRS salary).
- Provided purchase of up to 2.0 years credit for service for a not-for-profit corporation or agency supporting education or education research while on leave from PSRS employment.
- Provided purchase of up to 0.4 supplemental credit if member within 5 years of retirement eligibility.
- 5/23/96 Allowed re-application to purchase credit when payment was not completed, under existing purchase provisions. (Purchases not covered in law allowed by Regulation effective June 11, 1996)
- Allowed maternity/paternity leave purchase as long as member returns to PSRS service (previously had to return to PSRS service within 5 years).
- 8/26/96 Allowed prior military purchase for vested member regardless of years prior to PSRS service not to exceed 5 years. (had required PSRS service within 10 years of discharge and maximum of 4 years).
- Permitted implementation of reciprocity agreements with out-of-state retirement systems. (Using standards established for MO public retirement systems' reciprocity)
- Provided for compliance with USERRA.
- 1/1/97 Provided availability of new purchases to NTRS and the "new" cost calculations, which require employee and employer contributions and payment schedules.
- 8/28/97 Reopened O/S purchase if in PSRS more than 10 years after O/S service until July 1, 1998 (new law then effective).
- Board has the option to set a method for calculating the cost and defining the payment method for the purchase of KC/St.L/Supp./ and sick leave purchases. If the Board does not do so, the present statutory methods will remain in place.
- 7/1/98 Provided "new" standards which require employee and employer contributions on purchase/reinstatement cost calculations, payment schedules, ability to re-apply, use of purchased service, maximum amount of purchased service for all types, and other Board approved conditions. (SB860 passed in 1996, delayed effective date to July 1, 1998.)
- Allowed purchase of 20+ hours certified credit on pro rata basis even if not an NTRS member for that service. (SB860 passed in 1996, delayed effective date to July 1, 1998.)
- 8/28/98 Deleted 169.054—{Purchase of 5 years military permitted if vested member.}
- Provided purchase cost cannot exceed the actuarial value of credit purchased.
- Permitted purchase of prior military credit anytime prior to retirement.

Removed requirement of college degree for vocational-technical certificate in order to purchase credit for work related vocational credit.

Permitted purchase of pro-rata NTRS credit even if member not certificated (previously had to be certified at time of service).

Required NTRS to transfer to PSRS the employer contributions for forfeited service not to exceed 50% of the cost to the member.

8/28/01 Permitted PSRS, NTRS, PSRS of KC, and PSRS of St. Louis to promulgate joint rules to recognize service toward retirement eligibility earned within any of the four systems. July 1, 2003 was the first time PSRS retirees could elect to retire under this agreement.

8/28/03 Provided that application for purchase of most types 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 PSRS 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 PSRS 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.

Removed “certificated” requirement from Out of State/University of Missouri and Private School purchase statutes.

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 PSRS 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.)
- 8/28/05 Allowed members who have prior non-federal public employment inside or outside of Missouri to purchase the service.
- Allowed members who, while being 18 years old, purchase credit for Social Security -covered employment.
- 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 on that July 1 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

- 9/1/53 Provided a member who has previously withdrawn contributions, or whose contributions have been refunded because of termination of membership, may elect to reinstate the creditable service forfeited at withdrawal or refund of contributions.
- 1957 Provided an additional period for members to claim credit for services out of Missouri, or for service in the armed forces during an emergency involving national defense, and for members to elect to reinstate creditable service previously forfeited.
- 1967 Reopened the period in which a member could claim credit for teaching services out of Missouri (within 5 years of PSRS employment or before July 1, 1968, whichever is later), for services as a member of the armed forces, and the period in which a member might elect to reinstate creditable service previously forfeited.
- 8/13/78 Liberalized right of reinstating previously withdrawn credit if application not previously made and cancelled for non-payment. (SB906)
- 9/28/79 Further liberalized reinstatement privilege if previous application filed before September 1, 1978.
- 8/13/84 Reduced qualifying period for reinstatement of withdrawn credit for disability retiree (3 years plus reinstatement must equal 7 years minimum).
- 8/13/88 Disability retiree may have reinstatement payments deducted from disability payment--not required.
- 5/30/90 Lowered reinstatement qualification to 5 years (was 7).
- Lowered reinstatement qualification for Disability Retirement eligibility to 3 years plus reinstatement equals 5 years (was 3 plus reinstatement equals 7).

- 8/28/92 Opened period for re-filing reinstatement application if previous application on which payment was not made was filed before September 1, 1992; previously date was before September 1, 1978. (SB499)
- 5/23/96 Removed qualifying time for reinstatement (was 5 years). (By Regulation needs 0.1 credit)
- Allowed re-application for reinstatement when payment not completed.
- 7/1/98 Provided "new" standards which require employee and employer contributions on purchase/reinstatement cost calculations, payment schedules, ability to re-apply, use of purchased service, maximum amount of purchased service for all types, and other Board approved conditions. (SB860 passed in 1996, delayed effective date to July 1, 1998.)
- 8/28/98 Permitted partial reinstatement with payment period the length of service to be reinstated or 5 years, whichever is longer (previously 5 years).
- 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

- 1947 Retirement age 65 using 10 year FAS (See Formula Factors); reduced at age 60.
- 1949 Provided contributions should be withheld on an annual salary of up to but not in excess of \$3,000. FAS could not exceed \$250.
- A slight change in the benefit formula to increase the value of membership service credit.
- 9/1/53 Provided contributions were to be withheld on the annual salary rate of up to but not in excess of \$4,800 (was \$3,000). FAS could not exceed \$400.
- Provided a new formula for increased benefits for members qualifying for service retirement and with a guaranteed minimum allowance for those having 25 or more years of creditable service and age 65 or more. A member with 35 or more years of creditable service could retire with an actuarially reduced benefit if not yet 65.
- Provided a member must have 5 or more years of creditable service to be eligible for a retirement allowance.
- Previously retired member's allowances to be recalculated under the new formula with any increase to be paid thereafter.
- 1957 Increased the maximum annual salary rate on which contributions were to be remitted to \$8,400 and with a corresponding increase in the determination of FAS to \$700.
- Provided a new formula with increased benefits including actuarial reduced benefit available if 30 years of credit.
- Provided those members for whom federal old age and survivors' insurance tax is paid because of employment entitling the individual to membership in the system would continue

- to receive benefits as provided in the law prior to the enactment of this legislation (prior to 1957).
- 1965 Increased the maximum annual salary rate on which contributions were to be remitted to \$12,600 with the corresponding necessary change in the determination of FAS to \$1,050.
- 1967 Provided the maximum contribution rate could be increased to 8% and that contributions be determined on the annual salary rate of members without limitation on the amount of the annual salary rate. (Contribution rate at 8% effective July 1, 1968.)
- Provided the total annual salary rate received after July 1, 1967, be used in the determination of FAS--for any year prior to July 1, 1967, the annual salary rate used in determining FAS could not exceed \$12,600.
- Provided a new formula which would produce increased retirement allowances for members retiring at any age. Retirement age reduced to 60 (was age 65). Also provided actuarial reduced benefit for member less than age 60 (was age 65) having 30 years of credit.
- 1972 Provided FAS be determined on the basis of the total earnings for the best 5 consecutive years rather than for the best 10 consecutive years.
- Provided for the employment of retired members as special school advisors and supervisors upon application, and for payment to be made to these members by the retirement system (**HB613**). This was an attempt to improve the benefits for members who were retired with small allowances, retiring after June 30, 1957, and prior to January 1, 1971, receiving less than \$150 per month. (Benefit was \$5 times years of creditable service not to exceed \$75 {\$150 total benefits}. Earliest effective date was February 1973.)
- 9/28/75 Provided a new formula which permitted retirement with full benefits at age 60 (previously age 65). This 2% formula replaced the 1.5% plus \$.60 flat factors.
- Provided the formula, which was in effect prior to the effective date of SB 149 (September 28, 1975), could be used by those who had attained age 60 prior to that date.
- Provided a retired member may not receive a retirement allowance in excess of 80% of FAS.
- Provided retired members who were retired prior to September 1, 1972, would receive an increase in retirement allowances of 2% for each year the member had been retired prior to July 1, 1975. First reflected in check issued January 31, 1976.
- 9/28/77 Implemented full retirement benefits with 30 years of credit and age 55.
- Reduced retirement available with 25 years of credit (if less than age 60) at any age.
- 8/13/78 Improved benefits for college teachers for service before 1957--use "full" formula. (SB542)
- 9/28/79 Removed requirement for age 55 from 30-and-out law; allowed full benefits with 30 years of credit (if less than age 60) at any age.
- 6/1/82 Provided "state employees" with 1/12 of a year of credit for each 84 days of unused accumulated sick leave earned.
- 9/28/83 Provided retirement benefit based on formula in effect at time of retirement.

- 10/1/84 Provided "state employees" with 1/12 of a year of credit for each 42 days of unused accumulated sick leave earned (was 84 days).
- 4/29/86 2.1% formula replaced 2% factor.
- 6/19/87 Service Retirement
- a. Maximum benefit increased to 100% of FAS.
 - b. No reduction in 1.25% formula if 30 years of creditable service.
 - c. Deleted mandatory retirement at age 70.
- 8/28/90 Provided "state employees" with 1/12 of a year of credit for each 21 days of unused accumulated sick leave earned (was 42 days). (HB1452)
- 5/26/94 Improved retirement formula to a 2.3% factor (was 2.1%).
- 8/28/95 Permitted retirement July 1, 1996, through July 1, 1998, if under age 55 with at least 25 years of credit under modified formulas:
- | | |
|--------------------------|--------------------------|
| 25 - 25.9 years at 2.0% | 28 - 28.9 years at 2.15% |
| 26 - 26.9 years at 2.05% | 29 - 29.9 years at 2.20% |
| 27 - 27.9 years at 2.10% | |
- 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.
- 8/28/97 Provided Board authority to set cap in FAS {Board set cap at 20% effective 07/01/97 with 1997-98 as base year/1998-99 implement.}
- 7/1/98 Increased retirement formula (full benefits) to 2.5% (was 2.3%).
- Increased Modified Formulas for 25 and out provisions as follows:
- | | |
|-----------------|--------------------|
| 25 - 25.9 years | 2.20% (from 2.00%) |
| 26 - 26.9 years | 2.25% (from 2.05%) |
| 27 - 27.9 years | 2.30% (from 2.10%) |
| 28 - 28.9 years | 2.35% (from 2.15%) |
| 29 - 29.9 years | 2.40% (from 2.20%) |
- 7/1/99 Changed FAS period to 3 best consecutive years (from 5 best consecutive years).
- Added "rule of 80" making the 2.5% formula factor available for a member whose age plus credit equals 80.
- 7/01/01 Increased formula factor to 2.55% (was 2.5%) of FAS for each year of credit if member has 31.0 or more years for retirement effective on July 1, 2001, until June 30, 2008.
- 7/01/03 Extended 25 and out (Modified Formula) window for 5 years through July 1, 2008 (was through July 1, 2003).

- 8/28/03 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.
- Prohibited enactment after July 1, 2003, of legislation to increase benefits to members or retirees above that which may be funded using a 10.5% contribution rate based on actuarial valuation, except for the extension of 25 and out or the 2.55% formula provisions.
- 8/28/05 Extended the formula factor of 2.55% of FAS for each year of credit if member has 31.0 or more years of credit to July 1, 2008. (HB 443) Expiration date was 6/30/2008.
- Excludes from the definition of “salary” employer-paid premiums for medical insurance for a spouse and children and employer contributions to deferred compensation plans (HB 443)
- 7/01/07 Extended the formula factor of 2.55% of FAS for each year of credit if member has 31.0 or more years of credit to July 1, 2013. (Senate Bill 406) Expiration date was 6/30/2008.
- 7/01/07 Extended 25 and out (Modified Formula) window for 5 years through July 1, 2013 (was through July 1, 2008). (Senate Bill 406)
- 8/27/07 Reduced the maximum percentage of increase during the final average salary period to 10% effective August 28, 2007.

DEATH BENEFITS

- 8/1/53 Provided survivors' benefits for surviving dependents of members who were deceased prior to retirement. (Missouri was the second state to have survivors' benefits as a part of the retirement program.) (See History of Survivor Benefit Payments.)
- 1957 Provided increases in the survivors' benefits to be paid to surviving dependents of members whose death occurred prior to retirement. (See History of Survivor Benefit Payments.)
- 1967 Provided the designated spouse of a member who dies after acquiring 35 or more years of creditable service or after attainment of age 60 and before retirement may elect to receive survivorship benefits under Option 1 in lieu of the other benefits which may be available.
- Increased survivors' benefits to be paid to surviving dependents of member's whose death occurred prior to retirement. (See History of Survivor Benefit Payments.)
- 1972 Provided surviving dependents of male members and female members shall benefit from the survivors' benefits in a like manner.
- 8/28/75 In case of the death of a member after attainment of age 60 or after the member had acquired 30 years of creditable service, the spouse, if designated as beneficiary, may elect the survivorship benefits provided in Option 1 (previously 35 years or age 60).

- Provided increased amounts to be paid as survivors' benefits to qualified beneficiaries of future deceased members. Payments for spouse increased from \$200 to \$250 per month and from \$500 to \$625 per month with "family maximum". (See History of Survivor Benefit Payments.)
- 8/28/77 Provided designated spouse of deceased could elect survivorship benefits provided in Option 1 if member's death occurred after the member's attainment of age 60 or after acquiring 25 years of creditable service.
- Provided refund of unused balance of contributions to estate of member when reduced joint survivor allowance taken at retirement and both member and beneficiary died before account balance used; formerly, there was no refund in that instance.
- 8/13/84 Survivor benefit payments for future recipients based upon earnings, rather than fixed dollar amounts, with minimum and maximum benefits established. Not retroactive--applies only to benefits of members deceased after August 13, 1984. (See History of Survivor Benefit Payments.)
- 8/28/89 Provided Option 1 rights to surviving spouse of disability retirant, same as for active teachers. (HB600)
- Provided rights of survivor benefits to eligible dependents at the death of a disability retirant--regardless of the age of the retirant. (Previously, retiree had to be less than age 60 at death.) (HB600)
- 8/28/91 Provided increased minimum/maximum Survivor Benefits for beneficiaries of members deceased after effective date. (See History of Survivor Benefit Payments.)
- Provided dependent children not in care of surviving spouse with same benefit as those in spouse's care.
- 8/28/93 Permitted designated surviving spouse of vested member deceased prior to retirement to defer effective date of Option 1 election for greater amount. (SB126)
- 5/26/94 Provided naming of a trust, an individual, or any other legal entity to receive any balance of contributions and interest payable at the member's or retiree's death, or at the death of a retiree's beneficiary receiving beneficiary allowance payments.
- 8/28/95 Removed "remarriage" (if after August 27, 1995) as disqualification for SB benefits to spouse and dependent parents.
- Provided check issued in month of member's death is payable to designated beneficiary of member.
- 8/26/96 Eliminated confusing Survivor Benefit language for allocation of benefits and removed remarriage reference remaining in Survivor Benefit statute.
- Provided payment for month of retiree's death is due the retiree.
- 8/28/97 Provided benefit issued in month of death of a BA/TC/SB is payable. (SR/DR benefit already payable)
- Provided payment of unpaid accumulated contributions and interest to estate of recipient (rather than member) at death of a BA recipient. Payment of unpaid monthly benefits

- remaining in the term of a Term Certain is paid to estate of last recipient if no listed beneficiaries living.
- 7/1/99 Expanded eligibility for monthly Option 2 retirement-based benefits at the death of a member to a primary beneficiary having an insurable interest in the life of the member.
- Allowed payment of minimum benefits to surviving beneficiaries of members retired prior to May 26, 1994, and who died before September 1, 1995.
- Increased minimum and maximum monthly survivor benefit payments for beneficiaries of members, not yet retired, or disability retirees, who are deceased on or after July 1, 1999.
- Allowed survivor benefit payments to eligible spouses and children until the children attain age 24 while the children remain unmarried and in school full time.
- Initiated a \$5,000 one-time death benefit to named beneficiaries of retirees deceased on/after July 1, 1999.
- 7/1/00 Provided Survivor Benefit (169.075) payments be paid at amounts payable under current law (from amounts payable at death of member). (Effective with July 31, 2000, benefit.)
- 8/28/01 Reinstated benefits to surviving spouses of members of PSRS who remarried before August 28, 1995, provided application is made prior to June 30, 2002. Retroactive benefits prohibited. Benefits effective at end of month in which application is received; first benefits paid August 31, 2001.
- 8/28/05 Allows a member's beneficiary, in lieu of receiving any benefit from the retirement system, to elect that the benefits be payable to the deceased member's children.
- Adds a provision under 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
- Provides for the order of distribution on any benefits payable upon the death of a member or a deceased member's beneficiary.
- 3/1/07 Allows designated non-spouse beneficiary's to initiate direct rollovers of lump-sum death benefits.

SURVIVOR BENEFIT PAYMENTS

- 1953 Survivor Benefits legislated - second state to provide such coverage
- 1) Female spouse (65) \$50.00; (male spouse if 50% support {65})
 - 2) Female spouse \$75.00
 - Each dependent child under 18 \$20.00
 - MAXIMUM \$135.00
 - 3) Dependent child \$50.00; MAXIMUM \$100.00
 - 4) Dependent parent (65) \$50.00; MAXIMUM \$75.00

- 1957 Increased survivor benefit payments

- 1) Female spouse (60) \$125.00; (Dependent male spouse {65})
- 2) Female spouse \$150.00
Each dependent child under 18 \$75.00
MAXIMUM \$300.00
- 3) Dependent child \$125.00; MAXIMUM \$300.00
- 4) Dependent parent (65) \$125.00; MAXIMUM \$250.00

1967 Increased survivor benefit payments

- 1) Female spouse (60) \$200.00 (Dependent male spouse {65})
- 2) Female spouse \$200.00
Each dependent child under 18 \$100.00
and to age 22 if child in school full-time
MAXIMUM \$500.00
- 3) Dependent child \$150.00; MAXIMUM \$500.00
- 4) Dependent parent (65) \$150.00; MAXIMUM \$300.00

1972 Extended survivor benefit payments to male and female spouses in a like manner

1975 Increased survivor benefit payments

- 1) Spouse (60) \$250.00
- 2) Spouse \$250.00
Each dependent child \$125.00
MAXIMUM \$625.00
- 3) Dependent child \$200.00; MAXIMUM \$600.00
- 4) Dependent parent (65) \$150.00; MAXIMUM \$300.00

1984 Benefits based on % of salary with stated minimum and maximum amounts

- 1) Spouse 20%; Minimum \$300.00/Maximum \$500.00
- 2) Spouse 20%; Minimum \$300.00/Maximum \$500.00
Each dependent child 10%; Minimum \$150.00/Maximum \$250.00
MAXIMUM \$1,250.00
- 3) Dependent child 16 2/3%; Minimum \$250.00/Maximum \$400.00
MAXIMUM \$1,200.00
- 4) Dependent parent 16 2/3%; Minimum \$250.00/Maximum \$400.00

1989 Survivor benefit eligibility extended to beneficiary of Disability Retiree regardless of the age of the retiree at death (previously, retiree had to be less than age 60 at death in order for the beneficiary to be eligible to elect survivor benefit payments).

1991 Increased minimum and maximum benefits payable and extended dependent child benefit to child not in care of spouse of member

- 1) Spouse 20%; Minimum \$400.00/Maximum \$600.00
- 2) Spouse 20%; Minimum \$400.00/Maximum \$600.00
Each dependent child 10%; Minimum \$200.00/Maximum \$300.00
MAXIMUM \$1,500.00
- 3) Dependent child 16 2/3%; Minimum \$350.00/Maximum \$500.00
MAXIMUM \$1,500.00
- 4) Dependent parent 16 2/3%; Minimum \$350.00/Maximum \$500.00

1995 Removed remarriage, if after August 27, 1995, as disqualification for survivor benefit payments to a spouse and dependent parents.

1999 Increased minimum and maximum benefits payable and extended coverage of child to age 24 if full-time student and unmarried (previously eligible until age 22). {For deaths occurring on

and after July 1, 1999.} Payment to spouse continues{restarted spouse portion, effective with June 30, 1999, benefit, for those spouses not receiving at date of law} as long as payment is made to eligible child.

- 1) Spouse 20%; Minimum \$575.00/Maximum \$860.00
- 2) Spouse 20%; Minimum \$575.00/Maximum \$860.00
Each dependent child 10%; Minimum \$300.00/Maximum \$430.00
MAXIMUM \$2,160.00
- 3) Dependent child 16 2/3%; Minimum \$500.00/Maximum \$720.00
MAXIMUM \$2,160.00
- 4) Dependent parent 16 2/3%; Minimum \$500.00/Maximum \$720.00

2000 Increased all survivor benefit payments to those Minimum/Maximum amounts in current law (previously based on benefits payable under law in effect at date of death of member) effective with July 31, 2000 benefit.

2001 Reinstated benefits to surviving spouses of members of PSRS who remarried before Aug. 28, 1995, provided application is made prior to June 30, 2002. Retroactive benefits prohibited. Benefits effective at end of month in which application is received; first benefits paid Aug. 31, 2001.

MEMBERSHIP

1947 Provided membership for those teachers employed by the State Board of Training Schools.

1949 Provided membership for the full-time certificated employees of the Retirement System.

1951 Provided a procedure whereby the teachers of the St. Joseph School District could have their membership transferred to the state system.

9/1/53 Provided a means whereby the teachers employed in St. Louis and/or Kansas City School Districts may be transferred to the Public School Retirement System of Missouri, including provisions to claim credit for services in those districts rendered prior to July 1, 1946.

Provided membership for full-time certificated employees of statewide non-profit educational associations or organizations serving on an educational professional basis, the active members of the retirement system, or the public school districts maintaining high schools in this state.

Provided membership in the system for full-time certificated teachers employed by the State Sanatorium.

1956 A referendum of the membership of the system was conducted to determine if coverage under the OASI program was desired. In the referendum, the membership clearly indicated that Social Security was not desired. It was also made quite evident that the membership of the system desired to increase their contributions and to improve the benefits paid by the system.

1957 Provided a member of the state system, the Kansas City system, or the St. Louis system could move from one of the systems to another without losing any rights because of the transfer of membership.

- 1959 Provided membership in the system of the certificated teachers employed on a full-time basis by the Division of Inmate Education of the Department of Corrections.
- 1969 Provided membership in the system for the full-time certificated teachers of the Division of Mental Diseases.
- 9/28/75 Provided full-time certificated teachers employed by the Department of Higher Education may elect to become members.
- 9/28/77 Certification rights for retirement system membership by college officials for their staffs. (SB325)
- 8/13/84 Provided coverage in the teacher retirement system for all full-time, certificated school employees regardless of position.
- 4/2/86 Court Action - Removed Mental Health and Department of Corrections. PSRS member had right of election to remain in PSRS or transfer to MOSERS as of June 1, 1986. New employees on and after April 2, 1986, to be members of MOSERS. No automatic vesting of remaining PSRS service.
- 8/13/86 Removed Mental Health, Department of Corrections, Youth Services, and Social Services effective January 1, 1987. PSRS member had right of election to remain in PSRS or transfer to MOSERS (Court action did not include Youth Services and Social Services). PSRS service not automatically vested.
- 6/19/87 Universities, MO Southern, MO Western, Harris-Stowe members employed June 30, 1987, could elect MOSERS membership effective January 1, 1988, and refund of contributions or could elect to stay in PSRS. Automatic vesting for any remaining public school service credited. DESE also included but social security referendum failed. Therefore, transfer not possible for DESE employees. (HB713)
- New employees of Board of Higher Education no longer eligible for membership. (HB713)
- 8/28/91 Permitted certificated NTRS member to elect within 90 days of August 28, 1991, to become member in PSRS as long as eligible for NTRS. New certificated employee--eligible for NTRS--has 90 days from hire to choose PSRS. Credit on pro-rata basis.
- 8/28/93 Permitted present full-time DESE member who, without terminating employment, becomes part-time employee to elect PSRS membership within 90 days of law or within 90 days part-time commences. (SB126)
- Reopened 90-day period for certificated NTRS member to elect PSRS membership and receive pro-rata credit. (SB126)
- 5/23/96 Changed membership termination to "after 5 consecutive years of no credit" (was "out more than 4 of any 5 years").
- 8/28/97 Part-time certificated employees [hired after August 28, 1997] [at least 20 hours/week] would automatically be in PSRS with an option to elect NTRS. (Effective for full 1997-98 year.)
- 7/1/00 Backdated teacher certificate to date of Missouri entry after 10 years of service in Missouri and if certified in other state with at least 10 years of service in other state (Section 168.021.7)

- 4/30/03 A referendum of eligible employees was held to vote for or against Medicare-only coverage. Eligible employees (old hires) were defined as PSRS members whose employment relationship with the same school district (employer) had not been severed since March 31, 1986. They must have been in a position covered by PSRS at the time of the Notice of Referendum and at the time the referendum was held. In order for the referendum to pass, federal law required a majority of those eligible to vote to return ballots in favor of the referendum. Any ballots not returned were considered a “no” vote. **The referendum failed.**
- 8/28/03 Lowered membership eligibility for certificated employees to a minimum of 17 hours per week (was 20 hours per week) on a regular basis for which pro-rata credit would be granted.

INVESTMENTS

- 1951 Liberalized the investment restrictions--of particular importance was the authorization to purchase FHA insured mortgage loans.
- 1957 Liberalized the provisions pertaining to investment of funds of the system to include securities permitted by laws of Missouri relating to the investment of capital, reserve and surplus funds of life insurance companies organized under the laws of Missouri.
- 1959 Provided collateralizing of deposits made by the system with securities as required for deposits of the state of Missouri.
- 1961 Provided liberalization of the provisions pertaining to investment of funds of the system to include any securities permitted by laws of Missouri relating to investment of the capital, reserve, and surplus funds of casualty insurance companies organized under the laws of Missouri.
- 8/13/84 Liberalized Board of Trustees' investment authority, subject to "prudent man rule".
- 6/19/87 Required divestiture of South African stock and bond holdings.
- 5/30/90 Changed investing procedures.
- 5/26/94 Required affirmative action plan, annual reports to joint committee regarding utilization of minority investment managers, consultants, etc.
- 8/26/96 Allowed commingled investing of PSRS/NTRS funds with separate accounting.
- 8/28/05 Allows certain information related to investment activities to be closed under Chapter 610, RSMo, in order to protect PSRS and NTRS investment returns (HB 443)

EMPLOYMENT AFTER RETIREMENT

- 1955 Permitted retired teachers to serve as temporary-substitute teachers in districts in the system not to exceed 60 days in a school year.
- 1972 Provided for the employment of retired members as special school advisors and supervisors upon application, and for payment to be made to these members by the retirement system (**HB613**). This was an attempt to improve the benefits for members who were retired with small allowances, retiring after June 30, 1957, and prior to January 1, 1971, receiving less than \$150 per month. (Benefit was \$5 times years of creditable service not to exceed \$75 {\$150 total benefits}. Earliest effective date was February 1973.)
- 8/13/84 Clarified status of retired teacher returning to employment with a school district.
- 8/28/91 Provided a retiree could serve up to 550 hours in school year as temporary substitute or part-time bus driver.
- 8/28/92 Increased permissive part-time or temporary-substitute service in PSRS district by retiree to 550 hours; previously 360 hours. (HB926)
- 8/26/96 Eliminated NTRS coverage of PSRS retirees for work after retirement within the 550-hour provision.
- 7/1/99 Added to the employment after retirement provisions an earnings limitation of up to 50% of the amount the retiree would earn as a full-time employee of that district based upon that district's salary schedule.
- 8/28/03 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. (Critical Shortage)
- 8/28/05 Effective July 1, 2006, a retiree hired under the critical shortage criteria may not be employed as a superintendent.

VESTING

- 1946 Vesting with 30 years creditable service.
- 1957 Provided a member with 20 or more years of creditable service may leave contributions with the system and retain a vested right to a benefit upon attainment of retirement age. (Previously 30 years)
- 1972 Provided a member with 10 or more years of membership service in our system may cease to teach, leave the accumulated contributions with the system, and be eligible for a service retirement allowance upon attainment of the minimum age for voluntary retirement. (Previously 20 years).
- 4/29/86 Allowed special vesting between PSRS and NTRS with 5 years creditable service.

- 8/13/88 Reduced vesting period from 10 years to 5 years.
- 7/1/99 Initiated special vesting for retirees returning to full-time work in a covered district who acquire a minimum of 1.0 year of credit. (By regulations, must acquire minimum of 0.1 credit after July 1, 1999 - effective date of law.)

HEALTHCARE

- 9/28/87 Group health insurance available through employing districts for retirees or those eligible to retire, spouses, and dependent children.
- 6/14/89 Required school districts with health insurance plans to offer continued coverage to retired former employees at same rate as employees and clarified coverage for dependents. (HB610 & SB352)
- 8/28/90 Provided enrollment period during which retiree and/or beneficiary may elect to participate in employer insurance or non-insurance health benefit programs. For districts failing to comply with this law, a reduction will be made from their state aid. (HB1513)
- 8/28/92 Liberalized opportunity for PSRS/NTRS retirees to enroll or remain in school health insurance plan. Persons retired prior to August 28, 1992, may enroll until August 28, 1993; persons retiring after August 28, 1992, have 1 year from date of retirement to enroll. (HB1425)
- 1/1/94 Established statewide health insurance plan for public employees, retirees. (Sets up Board, not yet appointed by Governor)
- 8/28/03 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).

MISCELLANEOUS

- 9/1/53 Provided additional deposits could be made by members for the purpose of increasing the amount which would be received at retirement.
- 1955 Provided correction of errors in benefits in such manner as to assure that an actuarial equivalent will be paid.
- 7/1/63 TSA deposits first permitted.
- 8/13/76 Exemption of retirement benefits from Missouri income tax.
- 9/28/77 Provided payment of interest at lump sum withdrawal after 2 years of service; previously required more than 5 years.
- 9/28/79 Established boundaries for 3 college districts (Missouri Western, Missouri Southern, and Harris-Stowe). Significant in election of Board members. (SB2)

- Actuarial study and cost statement required for retirement legislation with significant costs.
Cost of study to be paid by introducer of bill. (HB130)
- 9/28/83 Extended voting rights for elected board member position to retired teachers, and to active and retired members of the Non-Teacher System.
- Requirement added that one of the appointed positions on the Board be a retired teacher or non-teacher member.
- 8/13/84 Permitted payment of any interest credited at lump sum withdrawal; previously required minimal service of 2 years.
- 6/14/89 Assessed Missouri income tax on monthly retirement benefits as of July 1, 1989; January 1, 1990, on lump sum distributions. (HB674)
- Allowed divorce court to divide the pension, annuity, benefits, rights, and retirement allowance same as marital property. (HB610)
- 5/30/90 Expanded Board of Trustees to 7 members--4 elected with 1 elected member to be an active NTRS; (was 5 members, 2 elected).
- 8/28/91 Limited division of benefits/rights at marital dissolution to same as social security.
- 8/28/95 Specifically provided for confidentiality of identifiable information pertaining to members, retirees, beneficiaries, and survivors.
- Allowed hiring of outside legal counsel (previously AG's office).
- Changed title of Executive Director/Assistant Executive Director (previously Exec. Secretary/Assist. Exec. Secretary).
- Eliminated requirement for state audit every 2 years. Provided for review of private audit by state auditor every 3 years.
- Provided monitoring of usable compensation re: IRS codes
- 8/26/96 Provided venue of suits involving system be Cole County.
- Permitted interest to be charged on late contributions.
- Eliminated additional deposit program except for members participating before September 1, 1996.
- Provided legislation is under Hancock amendment.
- 7/1/98 Changed composition of Board by eliminating commissioner of education with 3 members to be appointed by governor (rather than by the state board of education). The appointees may not be covered school employees, state employees, or state elected officials.
- 8/28/98 Clarified independent contractors--to be those qualified under common law.
- 8/28/02 Required public employee retirement plans to furnish a copy of a proposed rule to the Joint Committee on Public Employee Retirement. Plans that file rules with the Secretary of State

must furnish a copy to the committee prior to or concurrent with their filing with the Secretary of State . Plans that are not required to file with the Secretary of State must furnish copy to the committee within ten days of promulgating the rule.

8/28/05 HB 443

Changes the name of the Non-Teacher School Employee Retirement System (NTRS) to the Public Education Employee Retirement System (PEERS);