

HB 619 -- ST. LOUIS PUBLIC SCHOOL RETIREMENT

SPONSOR: Dogan

This bill changes the laws regarding the Public School Retirement System of the City of St. Louis. In its main provisions, the bill:

(1) Allows a teacher within the Public School Retirement System of the City of St. Louis to retire at age 65 or when his or her age added to the number of years of credited service is not less than 80. This will commonly be known as the Rule of 80. Currently, the retirement age is 65 or when the age added to the number of years of credited service is 85 and the rule is commonly known as the Rule of 85;

(2) Beginning January 1, 2017, new employees hired for the first time, will have their retirement benefits calculated using a 1.75% multiplication factor. Existing employees will have their benefits calculated using a multiplication factor of 2% for years of service prior to January 1, 2017 and 1.75% for years of service on or after January 1, 2016;

(3) Increases a current member's contribution to the system by .5% of the member's compensation each year until the contribution rate equals 9%. New members will automatically contribute 9%;

(4) Beginning January 1 of the year immediately following the year that the total contribution rate provided by the employer and member, when added together, is greater than 15%, then the percentage contribution amount paid by the employer and member must be equal. The equally divided contribution percentage rate must not be greater than 9%; and

(5) Changes in contribution rates from year to year must be in increments of .5% per year and shall not be greater or less than .5% from the previous year's rate.

This bill is similar to HB 2314 (2016) and HB 1205 (2015).