

HCS HB 619 -- ST. LOUIS PUBLIC SCHOOL RETIREMENT (Dogan)

COMMITTEE OF ORIGIN: Standing Committee on Pensions

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, 2018, 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 all years of service;

(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%; and

(4) Beginning with calendar year 2018 the employer contribution rate will be 16% and will decrease annually by .5% every year until the year 2032 when the rate will equal 9%. The rate will remain at 9% thereafter.

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