

MRTA HISTORY

BRIEF HISTORICAL BACKGROUND OF EDUCATION IN MISSOURI DEVELOPMENT OF THE PUBLIC SCHOOL RETIREMENT SYSTEM AND MISSOURI RETIRED TEACHERS ASSOCIATION

We need to look back at MRTA history to see how far we've come. For 41 years, the only source of funds for Missouri schools as a territory and as a state was from the Federal Grant through a land grant (no deed, no patent). Much work went on to even get that grant. One example: In 1804, Mr. Thomas Reddick from St. Louis rode horseback to Washington D.C. (at his own expense) to plead for passage of the Act granting land for schools.

And it was 52 years before local funds could be levied for schools. Then, for 70 years (1887 to 1956) only 1/3 of the ordinary revenue was used for schools.

So much background and work has been done on the development of education for schools of Missouri. During the great depression, teachers sometimes were not paid for the last two months of school.

A Few Highlights:

The development and adoption of the fourth Missouri Constitution in 1945 was very important to education. A significant change was the establishment of an appointed State Board of Education which was then given the power to appoint a Commissioner of Education.

Superintendent Hubert Wheeler of Marshall, Missouri, was appointed the first Commissioner of Education. The maximum salary was \$5,000. Consolidation of schools was implemented during his leadership in 1949. As a result of this reorganization, the County Superintendent of Schools was abolished.

Many improvements in education have been made. State aid became available. The foundation program and cigarette tax were of much benefit to education, with the funding formula being increased several times.

Special Education became an area of need. For the handicapped, area schools for the trainable were established in 1957. Important programs for all handicapped, including home instruction and transportation, were attained in 1959. Programs for the emotionally disturbed came in 1968 and compensatory education in 1969.

Beginning of the PSRS of Missouri

August 7, 1945 -The Public School Retirement Act of Missouri became effective after approval of the legislation and signed by Governor Forrest C. Donnell.

July 1, 1946 - The PSRS of Missouri was created. Missouri was the 47th state to adopt legislation leading to a State teachers' retirement system.

Mr. Everett Keith was instrumental in setting up the PSRS system. Teachers were permitted to vote at that time whether to receive Social Security or straight retirement. They voted to receive straight retirement.

August 1, 1947 - The first benefit check in the amount of \$31.45 was issued to 75-year-old Benjamin Rea of Buffalo, MO.

October 13, 1965 - The forerunner of PEERS, the Non-Teacher School employee Retirement System of Missouri (NTRS) was created with the adoption of HB 88.

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Many retired teacher groups had organized over the state. The Missouri Retired Teachers Association and Public School Personnel was organized in December 1960 by a group of eleven retired teachers meeting in Jefferson City, Missouri at

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the Governor Hotel. The five school system areas represented were St. Louis City, St. Louis County, Columbia, Lebanon and Springfield.

Mr. Thomas Babb, a retired teacher from Springfield was elected president.

- Constitution was drawn and approved by the initial members.
- Dues were established at \$1 a year due January 1st.
- A question arose, "Should we be bonded???"

In 1964, Mr. Babb was appointed the National Retired Teachers Association Director of Missouri. Dr. Ethel Andrus was the President of the NRTA at the time. A quote from Dr. Andrus, "Do something outside yourself. Make life richer by your efforts and ideas. As teachers, we have the most marvelous experience in the world."

Minutes of the March 1962 State Meeting showed 2,549 retired teachers in Missouri. This did not include St. Louis and Kansas City. MRTA membership at the time showed 649 members.

In 1972, a very important legislative change was made in that final average salary would be determined on the basis of total earnings for the five consecutive years instead of 10 consecutive years.

In 1980, MRTA was incorporated as a 501(c)(4) not-for-profit corporation.

MRTA is Missouri's largest and only Education Association where the Public School Retiree is the #1 priority. Our motto is: "To Serve, Not to be Served."

MRTA is an affiliate of NRTA (National Retired Teachers Association, AARPs Education Community).

SINCE 1975-MRTA HAS BEEN INSTRUMENTAL IN PASSING THE FOLLOWING:

1975 - First COLA (Cost of Living Adjustment). Retirees and beneficiaries of PSRS of Missouri who retired prior to 9/1/72 received an increase in benefits amounting to 2% per year.

1980 - Increased the maximum annual COLA from 2% to 4%.

1981 - MRTA supported legislation which gave COLA to certain persons receiving benefits from the Kansas City and St. Louis Retirement Systems.

1983 - A very important passage of legislation made it possible for retired teacher members and retired members of the non-teacher employees to vote for members of the Board of Trustees of the Public School Retirement System/Public Education Employee Retirement System of Missouri.

1984 - COLA ceiling raised from 24% to 32% for members of PSRS.

1986 - Increased lifetime COLA from 32% to 40% for retired members of the PSRS of Missouri.

1987 - Retirement benefit of \$300 per month by PSRS of Missouri if member had 20 years of creditable service. Teacher retirees have a right to participate in health insurance.

1989 - Increased lifetime COLA from 49% to 52% for teacher retirees. \$300 minimum Regular Retirement benefit for at least 20 years of credit.

1990 - Increased the monthly minimum to \$600 per month with a minimum of 20 years of service, and increased the lifetime COLA cap from 52% to 56%. Also increased the lifetime COLA for non-teacher retirees from 32% to 44%.

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1991 - Annual COLA cap increased to 5%. \$600 minimum Regular Retirement benefit for at least 20 years of credit. Full formula factor used for members at least age 55 with at least 25 years of credit. Survivor benefit payments increased.

1992 - Sponsored Retired Teachers Day which is celebrated the 2nd Wednesday in June. Legislation was also passed to change the COLA increase from 56% to 65% for members of PSRS effective 1995.

1993 - Pop-Up Provision for PSRS and improvements for non-teacher retirees: age 55 and 25 years and out, COLA from 4%-5%, and lifetime COLA increased from 44% to 56%, and improvements in Kansas City and St. Louis retirement systems.

1994 - \$800 per month for teachers with 25 years of creditable service. Full formula factor increased to 65% to become effective January 1995. Part-time or temporary substitute hours allowed for retirees increased to 550.

1995 - 25 and out modified formula factors initiated through July 1, 1998. \$600 minimum Regular Retirement benefit for at least 15 years of credit. \$800 minimum Regular Retirement benefit for at least 20 years of credit. \$1000 minimum Regular Retirement benefit for at least 25 years of credit. \$1100 minimum Regular Retirement benefit for at least 30 years of credit. \$2 times years of credit (maximum \$60) increase for all retirees. Joint and Survivor Options revised and Term Certain Options initiated.

1996 - Increased lifetime COLA cap to 75% for PSRS, removed the \$24,000 salary cap for supplemental benefits, and increased minimum benefits for 30-year PSRS members to \$1,200. **Supported amendments to St. Louis Retirement System.**

1997 - Changed retiree payment date to last working day of the month.

1998 - A Coalition was formed made up of the following groups: MRTA, NEA, MSTA, MAAS, MAESP, MASSP, AFT, and MACC. An actuarial study was made. Legislation provided 8.7% increase to all teacher retirees and beneficiaries. Increased non-teacher lifetime COLA from 65% to 75%. Full formula factor increased to 2.5%. 25 and out window extended through July 1, 2000. 25 and out formula factors increased.

1999 - Legislation provided monthly benefit of \$5 times the number of years of service to those who retired prior to July 1, 1999, and created a new \$5,000 death benefit. Also provided a 7.4% increase for non-teacher retirees. Final Average Salary changed to 3 years. Rule of 80 implemented. \$5000 death benefit implemented. \$5 times years of credit increase for all retirees. Survivor benefit payments increased. 50% earnings limitation included for working after retirement. Special vesting initiated for a retiree with one year of credit.

2000 - Legislation passed which included a 3.5% increase in retirement benefits for all teacher retirees and beneficiaries and increased the COLA from 75% to 80%. Also provided a 3.4% increase for all non-teacher retirees. 25 & out window extended through July 1, 2003. Lifetime COLA cap increased to 80%. COLA effective on 3rd January after retirement. An important change for MRTA was the appointment of delegates and delegate assembly for the annual fall meeting. Each region elected its own vice president.

2001 - COLA effective on 2nd January after retirement. Formula factor of 2.55% initiated if at least 31 years of credit through June 30, 2008. \$3 times years of credit increase for all retirees.

2003 - Partial Lump Sum Option (PLSO) initiated. 10.5% teacher contribution floor enacted meaning no retirement increases until teacher contributions are back to 10.5% or less.

2005 - 2.55% formula extended through July 1, 2008. 25 & out window extended through July 1, 2008. MRTA supported the name change of the NTRS to Public Education Employees Retirement System (PEERS).

2007 - 25 and out window extended through July 1, 2013. 2.55% formula factor extended through July 1, 2013. MRTA sponsored "SPIKING" regulation was enacted limiting Final Average Salary (FAS) to no more than 10% per year for the last three years of employment.

2007 - **MAJOR LEGISLATION:** MRTA sponsored Missouri income tax exemptions for education retirees. HB 444 had

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a six year phase in exempting 100% of \$32,500 of retirement income per person. Also MRTA sponsored 100% tax deduction for education retirees of Long Term Care Insurance premiums and 100% deduction of any out-of-pocket health insurance premiums. Also Final Average Salary (FAS) was regulated.

2010 – MRTA defeated the language of SB 1050 at three different times and once being in a special session of the Legislature. MRTA delivered over 200 MRTA members to the House Retirement Committee hearing in opposition to SB 1050. SB 1050, sponsored by Senator Jason Crowell (R - Cape Girardeau), proposed the creation of a State Investment Board/Company combining all public pension systems. This was a STATE TAKEOVER of Education's \$30-plus billion funds!



2011 – MRTA defeated a proposal to put Educators into a 401K type retirement system.

2012 – MRTA defeated SB 842, a proposal to take away the decision process of the PSRS/PEERS Board of Trustees and put it in the hands of the Legislature.

2013 – MRTA organized a signature petition campaign to stop the passage of four Senate Bills (SB 221, SB 475, SB476, and SB 477) introduced by Senator Lamping (R - St. Louis County). In 12 days, over 30,000 signatures were collected and delivered to the Senate Pensions Committee. These bills never came to a vote because of the orchestrated efforts of MRTA.



2014 – MRTA initiated a Call to Action encouraging members to contact their State Representatives to vote "No" on HCS SCS SB 672, with an amendment requiring PSRS/PEERS to invest 2% to 5% of their assets in a venture capital firm that is organized or incorporated in Missouri or has its principal place of business in Missouri. MRTA was **instrumental** in defeating Amendment 3. Amendment 3 was a ballot initiative removing tenure and connecting teacher pay to standardized testing.

2017 - MRTA initiated and was successful in enacting HB 305 and SB 394 which allowed divorcees to "pop up" to single benefits and remove ex-spouses as beneficiaries.

2019 - MRTA "squashed" HB 864 - the most dangerous legislation in the past 30 years to educator pensions. The legislation would have allowed all educators the choice of the Defined Benefit plan educators enjoy today or a misleading 401(k) plan that would have been detrimental to the PSRS/PEERS system as well as the educator in the long run.

MRTA also initiated and was successful in enacting HB 723 and SB 17 which were similar to HB 305 and SB 394 of 2018. This legislation had the same effect as the 2018 bills but were made retroactive so that educators divorced before August 2017 could also take advantage of the "pop up" benefit.

OTHER HISTORIC EVENTS AT MRTA

2001 - The MRTA Board of Directors decided to form a tax deductible corporation, 501(c)(3), called the Missouri Retired Teachers Foundation (MRTF). This charitable corporation is the fundraising arm of MRTA.

2003 - MRTA employed the first full-time Executive Director at MRTA, Mr. Jim Kreider, former Speaker of the House from Nixa, Missouri.

2004 - MRTA Board of Directors decided to move the MRTA office from Columbia, MO, to Jefferson City, MO home of the state capitol and the PSRS/PEERS retirement system.

2005 - MRTA and MRTF purchased property in a prime location for a future permanent office facility.

2006 - The MRTA Board of Directors decided to build the new permanent office facility.

2008 - MRTA elected the first PEERS retiree or support staff retiree as MRTA President, Maggie Elder of St Joseph, Missouri.

2009 – MRTA/MRTF moved into the permanent new office facility.

2010 MRTA celebrated its 50th birthday!

2012 – Mortgage on Office Facility paid in full. Mortgage Burning Ceremony held at 2012 Annual Meeting.

2012 – In honor of his leadership and major fundraising efforts and by Proclamation of the MRTA and MRTF Board of Directors, the classroom center in the new office facility was officially named The Jim Kreider Classroom and Learning Center during the September 12, 2012 Annual Meeting in Jefferson City, Missouri.

2014 – MRTA members donated over \$100,000 in fundraising campaign to install an elevator in the MRTA-MRTF Office Facility. Official installation completed June 2014.

2020 - MRTA Redesigns its logo. Association Member Benefits Advisors (AMBA) starts as MRTA's new member benefit provider. Vilocity and AMBA provided MRTA with a new website. Due to COVID-19 MRTA starts hosting virtual meetings. MRTA also celebrated its 60th Anniversary!

2022 - MRTA hires Maria Walden as Executive Director.

