

FIRST REGULAR SESSION

HOUSE BILL NO. 377

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FRASER (Sponsor), HAYWOOD, OSTMANN, GAMBARO,
BOUCHER AND LEVIN.

Read 1st time January 16, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

0285L.011

AN ACT

To repeal section 169.460, RSMo 2000, relating to public school teacher retirement, and to enact
in lieu thereof one new section relating to the same subject.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 169.460, RSMo 2000, is repealed and one new section enacted in lieu
2 thereof, to be known as section 169.460, to read as follows:

169.460. 1. Any member may retire on a service retirement allowance upon his **or her**
2 written application to the board of trustees setting forth at what time not less than fifteen days
3 nor more than ninety days subsequent to the execution and filing of such application he **or she**
4 desires to be retired; provided, that the member at the time so specified for his **or her** retirement
5 either (a) shall have attained age sixty-five or (b) shall have attained an age which when added
6 to the number of years of creditable service of such member shall total a sum not less than
7 eighty-five. For purposes of computing any member's age [under] **pursuant to** this section, the
8 board shall add to his **or her** actual age any accumulated and unused days of sick leave included
9 in his **or her** creditable service.

10 2. Upon retirement for service [under] **pursuant to** subsection 1 of this section, a
11 member shall receive an annual service retirement allowance payable in monthly service
12 installments equal to his **or her** number of years of creditable service multiplied by one and
13 one-fourth percent of his **or her** average final compensation.

14 3. A member who is not eligible for service retirement [under] **pursuant to** subsection
15 1 of this section but has attained age sixty and has five or more years of creditable service may

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended
to be omitted in the law.**

16 make application in the same manner as [under] **pursuant to** subsection 1 of this section for an
17 early service retirement allowance which shall be a percentage of his **or her** projected annual
18 service retirement allowance. His **or her** projected annual service retirement allowance shall
19 equal [his] **the** number of years of creditable service multiplied by one and one-fourth percent
20 of [his] **the** average final compensation. The percentage of his **or her** projected annual service
21 retirement allowance shall be computed by deducting from one hundred percent a sum equal to
22 five-ninths of one percent for each month such member's early retirement date precedes the
23 earliest date he **or she** could receive a service retirement allowance [under] **pursuant to**
24 subsection 1 of this section had his **or her** service continued.

25 4. Upon the written application of the member or of the employing board, any active
26 member who has had five or more years of creditable service with such board and does not
27 qualify for service retirement [under] **pursuant to** subsection 1 of this section may be retired by
28 the board of trustees, not less than fifteen and not more than ninety days next following the date
29 of filing such application, on an ordinary disability retirement allowance; provided, that the
30 medical board after a medical examination of such member shall certify that such member is
31 unable to further perform his **or her** duties due to mental or physical incapacity, and that such
32 incapacity is likely to be permanent and that such member should be retired. The determination
33 of the board of trustees in the matter shall be final and conclusive. A disability retirant who has
34 accumulated unused vacation and sick leave may elect to have the commencement of his **or her**
35 disability retirement allowance deferred for more than ninety days during the period he **or she**
36 is entitled to vacation and sick pay.

37 5. Upon retirement for disability, a member shall receive a disability retirement
38 allowance which shall be the larger of:

39 (1) A service retirement allowance based on his **or her** creditable service to the date of
40 his **or her** disability retirement and calculated as if he **or she** were age sixty-five; or

41 (2) One-fourth of his **or her** average final compensation;

42

43 except that such allowance shall not exceed the service retirement allowance which he **or she**
44 would receive upon retirement had his **or her** service continued and satisfied the eligibility
45 requirements of subsection 1 of this section and had his **or her** final average compensation been
46 unchanged.

47 6. Once each year during the first five years following retirement on a disability
48 retirement allowance and once in every three-year period thereafter, the board of trustees may,
49 and shall, require any disability beneficiary who has not yet become eligible for service
50 retirement pursuant to subsection 1 of this section to undergo a medical examination at a place
51 designated by the medical board or by a physician or physicians designated by such board.

52 Should any such disability beneficiary refuse to submit to such medical examination, his **or her**
53 allowance may be discontinued until his **or her** withdrawal of such refusal, and should his **or her**
54 refusal continue for one year, all rights in and to his **or her** pension may be revoked by the board
55 of trustees.

56 7. Should the board of trustees find that any disability retirant is engaged in or is able to
57 engage in a gainful occupation paying more than the difference between his **or her** retirement
58 allowance plus benefits, if any, to which [he and his] **the retirant and the retirant's** family are
59 eligible [under] **pursuant to** the federal Old Age, Survivors and Disability Insurance System of
60 the Social Security Act and the current rate of monthly compensation for the position he **or she**
61 held at retirement, then the amount of his **or her** retirement allowance shall be reduced to an
62 amount which together with the amount earnable by him **or her** shall equal such current rate of
63 monthly compensation. Further adjustments in the disability retirement allowance because of
64 earnings changes shall be made by the board of trustees. The decisions of the board of trustees
65 in regard to such modification of disability allowance shall be final and conclusive.

66 8. Should any disability retirant be restored to service as an employee, he **or she** shall
67 again become a member of the retirement system and contribute thereunder. If he **or she** is under
68 age sixty at date of again becoming a member, his **or her** creditable service at the time of his **or**
69 **her** retirement shall be restored to full force and effect, and the excess of his **or her** accumulated
70 contributions at retirement over the total payments which he **or she** received during retirement
71 shall be credited to his **or her** account. If he **or she** is age sixty or over, his **or her** disability
72 retirement allowance shall cease and be resumed upon subsequent retirement, together with such
73 retirement allowance as shall accrue by reason of his **or her** latest period of membership.

74 9. Should a member cease to be an employee, except by death or retirement, he **or she**
75 shall be paid on demand the amount of his **or her** accumulated contributions standing to the
76 credit of his **or her** individual account, provided that a member with five or more years of
77 creditable service may leave his **or her** accumulated contributions with the retirement system
78 and be an inactive member and claim a retirement allowance at any time after he **or she** reaches
79 the minimum age for voluntary retirement. When his **or her** claim is presented to the board of
80 trustees, he **or she** shall be granted an allowance at such time and for such amount as is available
81 [under] **pursuant to** subsection 2 or 3 of this section in accordance with the provisions of law
82 in effect at the time his **or her** active membership ceased. The accumulated contributions of an
83 inactive member may be withdrawn at any time upon ninety days' notice or such shorter notice
84 as is approved by the board of trustees. Should a member die before retirement, his **or her**
85 accumulated contributions shall be paid to his **or her** designated beneficiary, if living, otherwise
86 to the estate of the member. A member's accumulated contributions shall not be paid to him **or**
87 **her** so long as he **or she** remains in service as an employee.

88 10. Any member upon retirement shall receive his **or her** benefit in a retirement
89 allowance payable throughout life subject to the provision that if his **or her** death occurs before
90 he **or she** has received total benefits at least as large as his **or her** accumulated contributions at
91 retirement, the difference shall be paid in one sum to his **or her** designated beneficiary, if living,
92 otherwise to the estate of the retired member.

93 11. Prior to the date of retirement [under] **pursuant to** subsection 2, 3, or 4 of this
94 section, a member may elect to receive the actuarial equivalent at that time of his **or her**
95 retirement allowance in a lesser retirement allowance, payable throughout life [under] **pursuant**
96 **to** one of the following options with the provision that:

97 Option 1. Upon [his] death, his **or her** retirement allowance shall be continued
98 throughout the life of and paid to his **or her** beneficiary, or

99 Option 2. Upon [his] death, one-half of his **or her** retirement allowance shall be
100 continued throughout the life of and paid to his **or her** beneficiary, or

101 Option 3. Upon [his] death, his **or her** retirement allowance shall be continued
102 throughout the life of and paid to his **or her** beneficiary, provided that in the event his **or her**
103 designated beneficiary predeceases him **or her**, then his **or her** retirement allowance shall be
104 adjusted at that time to the amount determined [under] **pursuant to** subsection 2 or 3 of this
105 section at the time of his **or her** retirement, or

106 Option 4. Upon [his] death, one-half of his **or her** retirement allowance shall be
107 continued throughout the life of and paid to his **or her** beneficiary, provided that in the event his
108 **or her** designated beneficiary predeceases him **or her**, then his **or her** retirement allowance shall
109 be adjusted at that time to the amount determined [under] **pursuant to** subsection 2 or 3 of this
110 section at the time of his **or her** retirement.

111
112 The survivor benefits payable to a beneficiary, other than the spouse of the retirant, [under]
113 **pursuant to** any of the foregoing options shall in no event exceed fifty percent of the actuarial
114 equivalent of the retirement allowance determined [under] **pursuant to** subsection 2 or 3 of this
115 section at the time of retirement. The actuarial equivalent of a member's retirement allowance
116 shall be computed as of the earlier of his **or her** actual retirement or the date he **or she** became
117 eligible for service retirement [under] **pursuant to** subsection 1 of this section.

118 12. If an option has been elected [under] **pursuant to** subsection 11 of this section, and
119 both the retired member and beneficiary die before receiving total benefits as large as the
120 member's accumulated contributions at retirement, the difference shall be paid to a designated
121 beneficiary, if living, otherwise to the estate of the person last entitled to benefits.

122 13. If an active member dies while an employee and with five or more years of creditable
123 service and a dependent of the member is designated as beneficiary to receive his **or her**

124 accumulated contributions, such beneficiary may, in lieu thereof, request that benefits be paid
125 [under] **pursuant to** option 1, subsection 11 of this section, as if the member had attained age
126 sixty, if the member was less than sixty years of age at the time of his **or her** death, and had
127 retired [under] **pursuant to** such option as of the date of death, provided that under the same
128 circumstances a member may provide by written designation that benefits must be paid [under]
129 **pursuant to** option 1 to such beneficiary. In addition to benefits received [under] **pursuant to**
130 option 1, subsection 11 of this section, a surviving spouse receiving benefits [under] **pursuant**
131 **to** this subsection shall receive sixty dollars per month for each unmarried dependent child of the
132 deceased member who is under twenty-two years of age and is in the care of the surviving
133 spouse; provided, that if there are more than three such unmarried dependent children one
134 hundred eighty dollars shall be divided equally among them. A "dependent beneficiary" for the
135 purpose of this subsection only shall mean either the surviving spouse or a person who at the
136 time of the death of the member was receiving at least one-half of his **or her** support from the
137 member, and the determination of the board of trustees as to whether a person is a dependent
138 shall be final.

139 14. If the board of trustees is unable to refund the contributions of a member or to
140 commence payment of benefits after such refund or benefits are otherwise first due and payable
141 and thereafter, proper application is made for such refund or benefits, the board will make
142 payment of such refund or benefits but no credit will be allowed for interest after the date the
143 refund or benefits were first due and payable.

144 15. In lieu of accepting the payment of the accumulated contributions of a member who
145 dies after having at least eighteen months of creditable service and while an employee, an
146 eligible beneficiary or, if no surviving beneficiary, the unmarried dependent children of the
147 member under twenty-two years of age may elect to receive the benefits [under] **pursuant to**
148 subdivision (1), (2), (3), or (4) of this subsection. An "eligible beneficiary" is the surviving
149 spouse, unmarried dependent children under twenty-two years of age or dependent parents of the
150 member, if designated as beneficiary. A "dependent" is one receiving at least one-half of his **or**
151 **her** support from the member at his **or her** death.

152 (1) A surviving spouse who is sixty-two years of age at the death of the member or upon
153 becoming such age thereafter, and who was married to the member at least one year, may receive
154 sixty dollars per month for life. A spouse may receive this benefit after receiving benefits
155 [under] **pursuant to** subdivision (2) of this subsection;

156 (2) A surviving spouse who has in his or her care an unmarried dependent child of the
157 deceased member under twenty-two years of age may receive sixty dollars per month plus sixty
158 dollars per month for each child under twenty-two years of age but not more than a total of two
159 hundred forty dollars per month;

(3) If no benefits are payable [under] **pursuant to** subdivision (2) of this subsection, unmarried dependent children under the age of twenty-two may receive sixty dollars each per month; provided that if there are more than three such children one hundred eighty dollars per month shall be divided equally among them;

(4) A dependent parent upon attaining sixty-two years of age may receive sixty dollars per month as long as not remarried provided no benefits are payable at any time [under] **pursuant to** subdivision (1), (2), or (3) of this subsection. If there are two dependent parents entitled to benefits, sixty dollars per month shall be divided equally between them;

(5) If the benefits [under] **pursuant to** this subsection are elected and the total amount paid is less than an amount equal to the accumulated contributions of a member at his **or her** death, the difference shall be payable to the beneficiary or the estate of the beneficiary last entitled to benefits.

16. If a retired member dies while receiving a disability retirement allowance, the surviving spouse and children, if any, shall receive benefits [under] **pursuant to** subsection 15 of this section to the same extent as if he **or she** had died while an employee, unless such member elected optional benefits [under] **pursuant to** subsection 11 of this section.

17. Should a service retirant again become a member, his retirement allowance payments shall cease during such membership and shall be resumed upon subsequent retirement together with such retirement allowance as shall accrue by reason of his **or her** latest period of membership. A retirant may not receive a retirement allowance payment in any month for which he **or she** receives compensation from an employing board, except he **or she** may serve as a part-time or temporary employee for not to exceed [sixty] **seventy-five** days in any school year without becoming a member and without having his **or her** retirement allowance discontinued. A retirant may also serve as a member of the board of trustees and receive any compensation and reimbursement for expenses allowed him **or her** because of such service without becoming a member and without having his **or her** retirement allowance discontinued or reduced.

18. Upon approval of the board of trustees, any member may make contributions in addition to those required. Any additional contributions shall be accumulated at interest and paid in addition to the benefits provided hereunder. The board of trustees shall make such rules and regulations as it deems appropriate in connection with additional contributions including limitations on amounts of contributions and methods of payment of benefits.

19. Notwithstanding any other provisions of this section, any member retiring on or after age sixty-five who shall have five or more years of creditable service shall be entitled to an annual service retirement allowance of the lesser of (a) an amount equal to his **or her** number of years of creditable service multiplied by one hundred twenty dollars, or (b) one thousand eight hundred dollars. Upon the death of such member, any benefits payable to the beneficiary of such

196 member shall be computed as otherwise provided.

197 20. Notwithstanding any other provisions of this section, any member who continues his
198 **or her** employment with an employing board after attaining seventy and one-half years of age
199 shall receive service retirement benefits during the continuation of his **or her** employment if and
200 to the extent the payment of such service retirement benefits is required by the Internal Revenue
201 Code of 1986, as amended, and Treasury regulations promulgated thereunder; and such service
202 retirement benefits shall be adjusted annually for additional benefits which shall accrue by reason
203 of such continued employment in accordance with the rules and regulations of the board of
204 trustees. Optional benefits [under] **pursuant to** subsection 11 of this section must be elected by
205 a member prior to the commencement of benefits hereunder.