

FIRST REGULAR SESSION  
[PERFECTED]  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NOS. 346 & 174**  
**92ND GENERAL ASSEMBLY**

---

---

Reported from the Committee on Retirement, March 6, 2003, with recommendation that the House Committee Substitute for House Bill Nos. 346 & 174 Do Pass.

Taken up for Perfection April 2, 2003. House Committee Substitute for House Bill Nos. 346 & 174 ordered Perfected and printed.

STEPHEN S. DAVIS, Chief Clerk

1195L.06P

---

---

**AN ACT**

To repeal sections 105.269, 169.030, 169.050, 169.056, 169.070, 169.570, 169.577, 169.590, 169.620, 169.650, 169.655, and 169.670, RSMo, and to enact in lieu thereof fifteen new sections relating to the public school retirement system, with penalty provisions and an emergency clause.

---

---

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

Section A. Sections 105.269, 169.030, 169.050, 169.056, 169.070, 169.570, 169.577, 2 169.590, 169.620, 169.650, 169.655, and 169.670, RSMo, are repealed and fifteen new sections 3 enacted in lieu thereof, to be known as sections 105.269, 169.030, 169.050, 169.056, 169.070, 4 169.073, 169.570, 169.577, 169.590, 169.596, 169.620, 169.650, 169.655, 169.670, and 169.673, 5 to read as follows:

105.269. 1. Any metropolitan school district may allow retired teachers to teach in [said] 2 **such** metropolitan school district for up to four years without losing his or her retirement benefits 3 or to teach or be an administrator in a charter school established pursuant to sections 160.400 to 4 160.420, RSMo, in [said] **such** metropolitan school district without losing his or her retirement 5 benefits. [Said] **The** retired teacher need not be in the teacher's salary scale. [Said] **Such** 6 metropolitan school district shall place an emphasis on hiring retired teachers to teach in areas 7 that include but are not limited to, improving student reading, which may include elementary 8 remedial reading and the "Read to be Ready Program" as established under this act, math,

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

9 science and special education.

10           2. **Any urban school district containing most or all of a city with a population**  
11 **greater than four hundred thousand inhabitants may allow retired teachers and**  
12 **administrators to be employed in such urban school district for up to four years without**  
13 **losing his or her retirement benefits.**

14           3. The department of elementary and secondary education shall adopt rules to implement  
15 the provisions of this section.

16           [3.] 4. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,  
17 that is created under the authority delegated in this section and section 167.640, RSMo, shall  
18 become effective only if it complies with and is subject to all of the provisions of chapter 536,  
19 RSMo, and, if applicable, section 536.028, RSMo. This section and section 167.640, RSMo, and  
20 chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly  
21 pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul  
22 a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule  
23 proposed or adopted after August 28, 1999, shall be invalid and void.

          169.030. 1. The funds required for the operation of the retirement system created by  
2 sections 169.010 to 169.141 shall come from contributions made in equal amounts by members  
3 of the system and their employers, except as provided for certain members and employers by  
4 section 104.342, RSMo, and from such interest as may be derived from the investment of any  
5 part of such contributions. All contributions shall be transmitted to the board of trustees by  
6 employers in such manner and at such time as the board by rule shall require.

7           2. For each school year following the date on which the system becomes operative, each  
8 and every employer of one or more persons who are members of the system shall transmit to the  
9 board of trustees, in the manner and accompanied by such supporting data as the board shall  
10 prescribe, twice the amount that is deductible from the pay of such employee or employees  
11 during the school year. Failure or refusal to transmit such amount as required shall render the  
12 person or persons responsible therefor individually liable for twice the amount so withheld. Suits  
13 for the recovery of amounts for which individuals are thus rendered liable shall be instituted and  
14 prosecuted by the board of trustees in the name of the retirement system. In addition to such civil  
15 penalty, and not in lieu thereof, any person or persons made responsible for the payment of  
16 contributions who shall willfully and knowingly fail or refuse to transmit such contributions or  
17 any part thereof to the board of trustees shall be deemed guilty of a misdemeanor and upon  
18 conviction thereof shall be punished by a fine of not less than twenty-five dollars and not more  
19 than two hundred dollars, and each day such person or persons shall so fail or refuse to transmit  
20 such contributions shall be deemed a separate offense.

21           3. The contributions of members of the retirement system shall be collected by their

22 employers through appropriate deductions from paychecks, except as provided for certain  
23 members and employers by section 104.342, RSMo. The total amount deducted from the  
24 paychecks of members during any school year shall equal such a percent of their salary rates as  
25 may be required by the contribution rate then in effect. Contributions transmitted to the  
26 retirement system before February 20, 1996, based on salary rates which either included or  
27 excluded employer-paid medical benefits for members, shall be deemed to have been in  
28 compliance with this section. The retirement system shall not refund or adjust contributions or  
29 adjust benefit determinations with respect to any period before February 20, 1996, solely because  
30 of the treatment of employer-paid medical benefits for members. Effective December 31, 1995,  
31 compensation in excess of the limitations set forth in section 401(a)(17) of title 26 of the United  
32 States Code shall be disregarded for purposes of determining contributions under this section and  
33 calculating benefits paid by the public school retirement system of Missouri. The limitation on  
34 compensation for eligible employees shall not be less than the amount which was allowed to be  
35 taken into account under the system as in effect on July 1, 1993. For this purpose, an "eligible  
36 employee" is an individual who was a member of the system before July 1, 1996.

37 4. The [contribution rate shall be three percent for the first year of the system's operation.  
38 After the first year of operation the] board of trustees shall [have authority to] fix **and certify to**  
39 **the employers** the level rate of contribution[, not to exceed eleven and one-half percent, required  
40 for the operation of the system and to make adjustments in such rate as may thereafter be  
41 necessary; provided that if the level rate required for operation of the system shall exceed eleven  
42 and one-half percent for five consecutive years, all benefits provided herein shall be equitably  
43 reduced to such an extent that the rate required for the operation of the system shall be eleven  
44 and one-half percent.] **subject to the following:**

45 (1) **The level rate of contribution for a fiscal year shall not exceed the level rate of**  
46 **contribution for the prior fiscal year by more than one-half percent;**

47 (2) **The board shall fix and certify to the employers the rate of contribution for a**  
48 **fiscal year no later than six months prior to the date such rate is to be effective;**

49 (3) **The board shall fix and certify to the employers the rate of contribution for a**  
50 **fiscal year based on an actuarial valuation of the system as of a date not earlier than the**  
51 **last day of the second prior fiscal year. Such actuarial valuation of the system shall be**  
52 **performed using processes and actuarial assumptions that are in accordance with actuarial**  
53 **standards of practice in effect at the time the valuation is performed, as promulgated by**  
54 **the actuarial standards board or its successor; provided that such actuarial valuation shall**  
55 **be based on the entry age normal actuarial cost method and an asset valuation method**  
56 **based on the market value of system assets that may provide for smoothing of investment**  
57 **gains and losses, and, further, that the level rate of contribution shall be the total of the**

58 **normal cost rate and a rate which shall amortize the unfunded actuarial accrued liability**  
59 **over a period that shall not exceed thirty years from the date of the valuation, subject to**  
60 **the limitations of this subsection; and**

61 **(4) Not less than once every ten years the board shall have an actuary, other than**  
62 **the actuary performing the actuarial valuation pursuant to this section, review such**  
63 **actuarial valuation and perform an additional valuation of the system.**

64 5. Regardless of the provisions of any law governing compensation and contracts, every  
65 teacher or employee shall be deemed to consent and agree to the deductions provided herein.  
66 Payment of salary or compensation less such deduction shall be a full and complete discharge  
67 of all salary or compensation claims and demands during the period covered by such payment,  
68 except as to the benefits provided under sections 169.010 to 169.141.

69 **6. Notwithstanding any other provision of sections 169.010 to 169.141 to the**  
70 **contrary, no legislation shall be enacted after July 1, 2003, that increases benefits provided**  
71 **to members or retirees of the public school retirement system of Missouri above that which**  
72 **may be funded using a rate of contribution of ten and one-half percent as determined using**  
73 **an actuarial valuation as provided in subsection 4 of this section; provided that,**  
74 **notwithstanding the provision of this subsection, legislation may be enacted after July 1,**  
75 **2003, that provides for an extension of time within which a member may make an election**  
76 **pursuant to subdivisions (3) to (8) of subsection 1 of section 169.070.**

169.050. 1. On and after the effective date of sections 169.010 to 169.140, all employees  
2 as defined in sections 169.010 to 169.141 of districts included in the retirement system thereby  
3 created shall be members of the system by virtue of their employment, except as provided by  
4 section 104.342, RSMo. Individuals who qualify as independent contractors under the common  
5 law and are treated as such by their employer shall not be considered employees for purposes of  
6 membership in or contributions to the retirement system.

7 2. Any person who becomes a member before the end of the school year next following  
8 the date on which the system becomes operative may claim credit for service rendered as an  
9 employee in Missouri prior to such operative date, or for service rendered in the armed forces  
10 of the United States during a period of war, the same as if the person were a teacher, provided  
11 the person was a teacher in Missouri at the time the person was inducted, by filing with the board  
12 of trustees, within such time as the board may specify, a complete and detailed record of the  
13 service for which credit is claimed, together with such supporting evidence as the board may  
14 require for verification of the record. To the extent that the board finds the record correct, it shall  
15 credit the claimant with prior service and shall notify the claimant of its decision, but the amount  
16 of such credit shall not exceed thirty years.

17 3. No prior service credit shall be granted to any person who becomes a member after

18 the first year of the system's operation, except as provided in subsection 5 of this section unless  
19 that person's failure to become a member before or during that year was due either to service in  
20 the armed forces of the United States or to attendance at a recognized educational institution for  
21 professional improvement; provided, that the board of trustees may grant prior service credit to  
22 a teacher who taught prior to August 1, 1945, if the teacher returns to teaching before July 1,  
23 1950, and if such teacher teaches in the public schools of Missouri not less than seven years after  
24 returning before retirement, or the board of trustees may grant prior service credit to a teacher  
25 who taught prior to August 1, 1945, if the teacher returns to teaching and teaches at least one-half  
26 of the number of years between July 1, 1946, and age sixty but not less than seven years after  
27 returning before retirement, except that a member who will have thirty-five or more years of  
28 teaching service in Missouri at retirement shall be required to teach not less than three years after  
29 returning and before retirement. A person serving in the armed forces of the United States shall  
30 have the same right to prior service credit as one who became a member before the end of the  
31 first year of the system's operation, if the person becomes a member within one year of the date  
32 of the person's discharge from such service or within one year of such date plus time spent as a  
33 student in a standard college or university in further preparation for service as a public school  
34 employee. A person attending a recognized educational institution for the person's professional  
35 improvement shall have the same right to prior service credit as one who became a member  
36 before the end of the first year of the system's operation, if the person becomes a member within  
37 three years following the date on which the system became operative, and within one year of the  
38 date on which the person's attendance at such institution ceased.

39 4. Membership shall be terminated by failure of a member to earn any membership credit  
40 as a public school employee under this system for five consecutive school years, by death,  
41 withdrawal of contributions, or retirement.

42 5. If a member withdraws or is refunded the member's contributions, the member shall  
43 thereby forfeit any creditable service the member may have; provided, however, if such person  
44 again becomes a member of the system, the person may elect to reinstate the creditable service  
45 forfeited at times of previous withdrawals or refunds. The reinstatement shall be effected by the  
46 [member's] **member** paying to the retirement system with interest the total amount of  
47 accumulated contributions withdrawn by the member or refunded to the member with respect  
48 to the service being reinstated. A member may reinstate less than the total service previously  
49 forfeited, in accordance with rules promulgated by the board of trustees. The payment [may be  
50 made over a period not longer than five years or the length of service to be reinstated whichever  
51 is longer, beginning from the date of election, or prior to retirement, whichever is earlier, and]  
52 **shall be completed prior to termination of membership with the retirement system** with  
53 interest on the unpaid balance; provided, however, that if a member is retired on disability before

54 completing such payments, the balance due with interest may be deducted from the member's  
55 disability retirement allowance.

56 [6. Any person who elected to purchase creditable service pursuant to section 169.055,  
57 169.056 or 169.057 and failed to complete payment within the time allowed may again elect to  
58 purchase creditable service pursuant to those provisions, if the election is made before July 1,  
59 1998. The election may include a purchase of creditable service for the same period for which  
60 the earlier election was made.

61 7. Any person who would be entitled to elect to purchase creditable service pursuant to  
62 section 169.055 for unpaid maternity or paternity leave except for the fact that the person  
63 returned to employment in a position covered by the retirement system more than five years after  
64 the end of the leave period may elect to purchase such creditable service if the election is made  
65 before July 1, 1998.

66 8. Any person who would be entitled to purchase creditable service pursuant to  
67 subsection 1 of section 169.055 except for the fact that the application was made on or after June  
68 19, 1997, may elect to purchase such creditable service if the election is made before July 1,  
69 1998.]

169.056. 1. Members who have accrued at least one year of membership service credit  
2 for employment in a position covered by this **retirement** system **and who have covered**  
3 **employment with this retirement system following the service for which credit is being**  
4 **purchased** may purchase membership service credit under the circumstances, terms and  
5 conditions provided in this section. With respect to each such purchase authorized by this  
6 section the following provisions apply:

7 (1) The purchase shall be effected by the member paying to the retirement system [with  
8 interest,] the amount the member would have contributed and the amount the employer would  
9 have contributed had such member been an employee for the number of years for which the  
10 member is electing to purchase credit, and had the member's compensation during such period  
11 been the [same as the annual salary rate at which the member is first employed in a position  
12 qualifying for membership in the retirement system after the period being purchased, provided  
13 that the purchase cost shall not exceed the actuarial value of the credit being purchased] **highest**  
14 **annual salary rate on record with the retirement system on the date of election to purchase**  
15 **credit**. For purposes of this section, "annual salary rate" means the annual salary rate for  
16 full-time service for the position of employment. The contribution rate used in determining the  
17 amount to be paid shall be the contribution rate in effect on the date of election to purchase  
18 credit]. The interest rate used in determining the amount to be paid shall be the actuarially  
19 assumed rate of return on invested funds of the system in effect at the date of election to purchase  
20 credit];

21 (2) [Payment shall be made over a period not longer than the period of membership  
22 service credit being purchased, measured from the date of election, and with interest on the  
23 unpaid balance;

24 (3)] Membership service credit purchased pursuant to this section shall be deemed to be  
25 membership service in Missouri for purposes of subsection 7 of section 169.070;

26 [(4)] (3) An election to purchase membership service credit pursuant to this section and  
27 payment for the purchase shall be completed prior to [retirement] **termination of membership**  
28 **with the retirement system with interest on the unpaid balance;**

29 [(5)] (4) Members may purchase membership service credit in increments of one-tenth  
30 of a year, and multiple elections to purchase may be made;

31 [(6)] (5) Additional terms and conditions applicable to purchase made pursuant to this  
32 section including, but not limited to, minimum payments, payment schedules and provisions  
33 applicable when a member fails to complete payment may be set by rules of the board.

34 2. Membership service credit shall not be allowed pursuant to this section **or sections**  
35 **169.570 and 169.577** which exceeds in length the member's membership service credit for  
36 employment in a position covered by this system, and in no event may the member receive  
37 membership service credit with both this system and another public retirement [plan, as defined  
38 in section 105.660, RSMo,] **system** for the same service.

39 3. A member who [has rendered service] **was employed** for at least twenty hours per  
40 week [as a teacher outside of this state including service in] **on a regular basis by a public**  
41 **school district, public junior college, public community college, public college, or public**  
42 **university** [or who has rendered service in the University of Missouri or Lincoln University after  
43 July 1, 1946], **either inside or outside of this state**, may elect [prior to retirement] to purchase  
44 equivalent membership service credit [but not in excess of ten years. An affidavit shall be  
45 required stipulating that the member is not presently receiving compensation from another  
46 teacher retirement system and will not receive credit in another system for the creditable time  
47 purchased].

48 4. [(1)] A member who [enters the service of] **has served in** the armed forces of the  
49 United States of America **and** who [is an employee in a district included in the system at the time  
50 such member is inducted, enlisted or called to active duty, and who without voluntary  
51 reenlistment becomes an employee in a district within one year after discharge from such service  
52 shall not be subject to the provisions of subsection 4 of section 169.050 with regard to  
53 termination of membership due to the period of actual service in the armed forces of the United  
54 States. Such a member may elect prior to retirement to purchase membership service credit for  
55 the entire period of service in the armed forces of the United States, but not to exceed five years.  
56 The purchase may be made only if the member] was discharged or separated from the armed

57 forces by other than a dishonorable discharge[.

58 (2) A member who had served in the armed forces of the United States prior to becoming  
59 a member, and who becomes employed in a position qualifying for membership in the retirement  
60 system after such member's discharge under honorable conditions] may elect, [prior to  
61 retirement,] to purchase membership service for the [entire] period of **active duty** service in the  
62 armed forces[, but not to exceed five years].

63 5. Any member granted unpaid maternity or paternity leave for a period, from a position  
64 covered by the retirement system, who returned to employment in such a position, may elect  
65 [prior to retirement] to purchase membership service credit for the period of leave. [No member  
66 may purchase more than four years of membership service credit pursuant to this subsection.]

67 6. Any member who is or was certified as a vocational-technical teacher on the basis of  
68 having a college degree or who was required to have a period of work experience of at least two  
69 years in the area of the subject being taught in order to qualify for such certification may, upon  
70 written application to the board, purchase equivalent membership service credit for such work  
71 experience which shall not exceed the two years necessary for certification if the work  
72 experience was in the area that the member taught or is teaching and was completed in two years.

73 7. Any member who had membership service credit with the nonteacher school  
74 employee retirement system of Missouri governed by sections 169.600 to 169.715 but which  
75 membership service credit was forfeited by withdrawal or refund, may elect[, prior to retirement,]  
76 to purchase credit for such service [and receive pro rata credit not to exceed a total of ten years  
77 in this system for the service]. The nonteacher school employee retirement system of Missouri  
78 shall transfer to this system an amount equal to the employer contributions for the forfeited  
79 service being purchased, plus interest, which shall be applied to reduce the amount the member  
80 would otherwise pay for the purchase, provided that the amount transferred shall not exceed  
81 one-half of the purchase cost.

82 8. A member may elect to purchase membership service credit for service rendered while  
83 on leave from an employer, as defined in section 169.010, for a not-for-profit corporation or  
84 agency whose primary purpose is support of education or education research, [not to exceed two  
85 years] if the member was employed by that organization to serve twenty or more hours per  
86 week[; provided the member has returned to service for at least one year as an employee of the  
87 employer that granted the leave] **on a regular basis**.

88 9. A member [having membership service credit in the retirement system provided by  
89 sections 169.010 to 169.141, after the member] **who** was employed by a private school, **private**  
90 **junior college, private community college, private college, or private university, either**  
91 **inside or outside of this state**, for at least twenty hours per week [and duly certified under the  
92 law governing the certification of teachers during all of such employment] **on a regular basis**,



93 may elect to purchase **equivalent** membership service credit for **such** service rendered [to the  
94 private school, but not to exceed three years. As used in this subsection, the term "private  
95 school" means a school which is not a part of the public school system of this state and which  
96 charges tuition for the rendering of elementary and secondary education services].

169.070. 1. The retirement allowance of a member whose age at retirement is sixty years  
2 or more and whose creditable service is five years or more, or whose sum of age and creditable  
3 service equals eighty years or more, or who has attained age fifty-five and whose creditable  
4 service is twenty-five years or more or whose creditable service is thirty years or more regardless  
5 of age, may be the sum of the following items, not to exceed one hundred percent of the  
6 member's final average salary:

7 (1) Two and five-tenths percent of the member's final average salary for each year of  
8 membership service;

9 (2) Six-tenths of the amount payable for a year of membership service for each year of  
10 prior service not exceeding thirty years.

11

12 In lieu of the retirement allowance otherwise provided in subdivisions (1) and (2) of this  
13 subsection, a member may elect to receive a retirement allowance of:

14 (3) Between July 1, 1998, and July 1, [2003] **2008**, two and four-tenths percent of the  
15 member's final average salary for each year of membership service, if the member's creditable  
16 service is twenty-nine years or more but less than thirty years, and the member has not attained  
17 age fifty-five;

18 (4) Between July 1, 1998, and July 1, [2003] **2008**, two and thirty-five-hundredths  
19 percent of the member's final average salary for each year of membership service, if the  
20 member's creditable service is twenty-eight years or more but less than twenty-nine years, and  
21 the member has not attained age fifty-five;

22 (5) Between July 1, 1998, and July 1, [2003] **2008**, two and three-tenths percent of the  
23 member's final average salary for each year of membership service, if the member's creditable  
24 service is twenty-seven years or more but less than twenty-eight years, and the member has not  
25 attained age fifty-five;

26 (6) Between July 1, 1998, and July 1, [2003] **2008**, two and twenty-five-hundredths  
27 percent of the member's final average salary for each year of membership service, if the  
28 member's creditable service is twenty-six years or more but less than twenty-seven years, and the  
29 member has not attained age fifty-five;

30 (7) Between July 1, 1998, and July 1, [2003] **2008**, two and two-tenths percent of the  
31 member's final average salary for each year of membership service, if the member's creditable  
32 service is twenty-five years or more but less than twenty-six years, and the member has not

33 attained age fifty-five;

34 (8) Between July 1, 2001, and June 30, 2008, two and fifty-five hundredths percent of  
35 the member's final average salary for each year of membership service, if the member's creditable  
36 service is thirty-one years or more regardless of age.

37 2. In lieu of the retirement allowance provided in subsection 1 of this section, a member  
38 whose age is sixty years or more on September 28, 1975, may elect to have the member's  
39 retirement allowance calculated as a sum of the following items:

40 (1) Sixty cents plus one and five-tenths percent of the member's final average salary for  
41 each year of membership service;

42 (2) Six-tenths of the amount payable for a year of membership service for each year of  
43 prior service not exceeding thirty years;

44 (3) Three-fourths of one percent of the sum of subdivisions (1) and (2) of this subsection  
45 for each month of attained age in excess of sixty years but not in excess of age sixty-five.

46 3. (1) In lieu of the retirement allowance provided either in subsection 1 or 2 of this  
47 section, collectively called "option 1", a member whose creditable service is twenty-five years  
48 or more or who has attained the age of fifty-five with five or more years of creditable service may  
49 elect in the member's application for retirement to receive the actuarial equivalent of the  
50 member's retirement allowance in reduced monthly payments for life during retirement with the  
51 provision that:

52 Option 2. Upon the member's death the reduced retirement allowance shall be continued  
53 throughout the life of and paid to such person as has an insurable interest in the life of the  
54 member as the member shall have nominated in the member's election of the option, and  
55 provided further that if the person so nominated dies before the retired member, the retirement  
56 allowance will be increased to the amount the retired member would be receiving had the retired  
57 member elected option 1;

58 OR

59 Option 3. Upon the death of the member three-fourths of the reduced retirement  
60 allowance shall be continued throughout the life of and paid to such person as has an insurable  
61 interest in the life of the member and as the member shall have nominated in an election of the  
62 option, and provided further that if the person so nominated dies before the retired member, the  
63 retirement allowance will be increased to the amount the retired member would be receiving had  
64 the member elected option 1;

65 OR

66 Option 4. Upon the death of the member one-half of the reduced retirement allowance  
67 shall be continued throughout the life of, and paid to, such person as has an insurable interest in  
68 the life of the member and as the member shall have nominated in an election of the option, and

69 provided further that if the person so nominated dies before the retired member, the retirement  
70 allowance shall be increased to the amount the retired member would be receiving had the  
71 member elected option 1;

72 OR

73 Option 5. Upon the death of the member prior to the member having received one  
74 hundred twenty monthly payments of the member's reduced allowance, the remainder of the one  
75 hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as  
76 the member shall have nominated in the member's election of the option or in a subsequent  
77 nomination. If there is no beneficiary so nominated who survives the member for the remainder  
78 of the one hundred twenty monthly payments, the reserve for the remainder of such one hundred  
79 twenty monthly payments shall be paid to the estate of the last person to receive a monthly  
80 allowance;

81 OR

82 Option 6. Upon the death of the member prior to the member having received sixty  
83 monthly payments of the member's reduced allowance, the remainder of the sixty monthly  
84 payments of the reduced allowance shall be paid to such beneficiary as the member shall have  
85 nominated in the member's election of the option or in a subsequent nomination. If there is no  
86 beneficiary so nominated who survives the member for the remainder of the sixty monthly  
87 payments, the reserve of the remainder of such sixty monthly payments shall be paid to the estate  
88 of the last person to receive a monthly allowance.

89 (2) The election of an option may be made only in the application for retirement and such  
90 application must be filed prior to the date on which the retirement of the member is to be  
91 effective. If either the member or the person nominated to receive the survivorship payments  
92 dies before the effective date of retirement, the option shall not be effective, provided that:

93 (a) If the member or a person retired on disability retirement dies after acquiring  
94 twenty-five or more years of creditable service or after attaining the age of fifty-five years and  
95 acquiring five or more years of creditable service and before retirement, except retirement with  
96 disability benefits, and the person named by the member as the member's primary beneficiary  
97 has an insurable interest in the life of the deceased member, the designated beneficiary may elect  
98 to receive either survivorship benefits under option 2 or a payment of the accumulated  
99 contributions of the member. If survivorship benefits under option 2 are elected and the member  
100 at the time of death would have been eligible to receive an actuarial equivalent of the member's  
101 retirement allowance, the designated beneficiary may further elect to defer the option 2 payments  
102 until the date the member would have been eligible to receive the retirement allowance provided  
103 in subsection 1 or 2 of this section;

104 (b) If the member or a person retired on disability retirement dies before attaining age

105 fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the  
106 person named as the member's primary beneficiary has an insurable interest in the life of the  
107 deceased member, the designated beneficiary may elect to receive either a payment of the  
108 member's accumulated contributions, or survivorship benefits under option 2 to begin on the date  
109 the member would first have been eligible to receive an actuarial equivalent of the member's  
110 retirement allowance, or to begin on the date the member would first have been eligible to  
111 receive the retirement allowance provided in subsection 1 or 2 of this section.

112 4. If the total of the retirement allowance paid to an individual before the death of the  
113 individual is less than the accumulated contributions at the time of retirement, the difference  
114 shall be paid to the beneficiary of the individual, or to the estate of the individual, if there be no  
115 beneficiary. If an optional benefit as provided in option 2, 3 or 4 in subsection 3 of this section  
116 had been elected, and the beneficiary dies after receiving the optional benefit, and if the total  
117 retirement allowance paid to the retired individual and the beneficiary of the retired individual  
118 is less than the total of the contributions, the difference shall be paid to the estate of the  
119 beneficiary unless the retired individual designates a different recipient with the board at or after  
120 retirement.

121 5. If a member dies before receiving a retirement allowance, the member's accumulated  
122 contributions at the time of the death of the member shall be paid to the beneficiary of the  
123 member or to the estate of the member, if there be no beneficiary; except that, no such payment  
124 shall be made if the beneficiary elects option 2 in subsection 3 of this section, unless the  
125 beneficiary dies before having received benefits pursuant to that subsection equal to the  
126 accumulated contributions of the member, in which case the amount of accumulated  
127 contributions in excess of the total benefits paid pursuant to that subsection shall be paid to the  
128 estate of the beneficiary.

129 6. If a member ceases to be a public school employee as herein defined and certifies to  
130 the board of trustees that such cessation is permanent, or if the membership of the person is  
131 otherwise terminated, the member shall be paid the member's accumulated contributions with  
132 interest.

133 7. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, if a  
134 member ceases to be a public school employee after acquiring five or more years of membership  
135 service in Missouri, the member may at the option of the member leave the member's  
136 contributions with the retirement system and claim a retirement allowance any time after  
137 reaching the minimum age for voluntary retirement. When the member's claim is presented to  
138 the board, the member shall be granted an allowance as provided in sections 169.010 to 169.141  
139 on the basis of the member's age, years of service, and the provisions of the law in effect at the  
140 time the member requests the member's retirement to become effective.

141           8. The retirement allowance of a member retired because of disability shall be  
142 nine-tenths of the allowance to which the member's creditable service would entitle the member  
143 if the member's age were sixty, or fifty percent of one-twelfth of the annual salary rate used in  
144 determining the member's contributions during the last school year for which the member  
145 received a year of creditable service immediately prior to the member's disability, whichever is  
146 greater, except that no such allowance shall exceed the retirement allowance to which the  
147 member would have been entitled upon retirement at age sixty if the member had continued to  
148 teach from the date of disability until age sixty at the same salary rate.

149           9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, from  
150 October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be  
151 multiplied by the factor of two-thirds for any member of the system for whom federal Old Age  
152 and Survivors Insurance tax is paid from state or local tax funds on account of the member's  
153 employment entitling the person to membership in the system. The monetary benefits for a  
154 member who elected not to exercise an option to pay into the system a retroactive contribution  
155 of four percent on that part of the member's annual salary rate which was in excess of four  
156 thousand eight hundred dollars but not in excess of eight thousand four hundred dollars for each  
157 year of employment in a position covered by this system between July 1, 1957, and July 1, 1961,  
158 as provided in subsection 10 of this section as it appears in RSMo, 1969, shall be the sum of:

159           (1) For years of service prior to July 1, 1946, six-tenths of the full amount payable for  
160 years of membership service;

161           (2) For years of membership service after July 1, 1946, in which the full contribution rate  
162 was paid, full benefits under the formula in effect at the time of the member's retirement;

163           (3) For years of membership service after July 1, 1957, and prior to July 1, 1961, the  
164 benefits provided in this section as it appears in RSMo, 1959; except that if the member has at  
165 least thirty years of creditable service at retirement the member shall receive the benefit payable  
166 pursuant to that section as though the member's age were sixty-five at retirement;

167           (4) For years of membership service after July 1, 1961, in which the two-thirds  
168 contribution rate was paid, two-thirds of the benefits under the formula in effect at the time of  
169 the member's retirement.

170           10. The monetary benefits for each other member for whom federal Old Age and  
171 Survivors Insurance tax is or was paid at any time from state or local funds on account of the  
172 member's employment entitling the member to membership in the system shall be the sum of:

173           (1) For years of service prior to July 1, 1946, six-tenths of the full amount payable for  
174 years of membership service;

175           (2) For years of membership service after July 1, 1946, in which the full contribution rate  
176 was paid, full benefits under the formula in effect at the time of the member's retirement;

177 (3) For years of membership service after July 1, 1957, in which the two-thirds  
178 contribution rate was paid, two-thirds of the benefits under the formula in effect at the time of  
179 the member's retirement.

180 11. Any retired member of the system who was retired prior to September 1, 1972, or  
181 beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such  
182 option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement  
183 allowance of the member of two percent for each year, or major fraction of more than one-half  
184 of a year, which the retired member has been retired prior to July 1, 1975. This increased amount  
185 shall be payable commencing with January, 1976, and shall thereafter be referred to as the  
186 member's retirement allowance. The increase provided for in this subsection shall not affect the  
187 retired member's eligibility for compensation provided for in section 169.580 or 169.585, nor  
188 shall the amount being paid pursuant to these sections be reduced because of any increases  
189 provided for in this section.

190 12. If the board of trustees determines that the cost of living, as measured by generally  
191 accepted standards, increases two percent or more in the preceding fiscal year, the board shall  
192 increase the retirement allowances which the retired members or beneficiaries are receiving by  
193 two percent of the amount being received by the retired member or the beneficiary at the time  
194 the annual increase is granted by the board with the provision that the increases provided for in  
195 this subsection shall not become effective until the fourth January first following the member's  
196 retirement or January 1, 1977, whichever later occurs, or in the case of any member retiring on  
197 or after July 1, 2000, the increase provided for in this subsection shall not become effective until  
198 the third January first following the member's retirement, or in the case of any member retiring  
199 on or after July 1, 2001, the increase provided for in this subsection shall not become effective  
200 until the second January first following the member's retirement. Commencing with January 1,  
201 1992, if the board of trustees determines that the cost of living has increased five percent or more  
202 in the preceding fiscal year, the board shall increase the retirement allowances by five percent.  
203 The total of the increases granted to a retired member or the beneficiary after December 31,  
204 1976, may not exceed eighty percent of the retirement allowance established at retirement or as  
205 previously adjusted by other subsections. If the cost of living increases less than five percent,  
206 the board of trustees may determine the percentage of increase to be made in retirement  
207 allowances, but at no time can the increase exceed five percent per year. If the cost of living  
208 decreases in a fiscal year, there will be no increase in allowances for retired members on the  
209 following January first.

210 13. The board of trustees may reduce the amounts which have been granted as increases  
211 to a member pursuant to subsection 12 of this section if the cost of living, as determined by the  
212 board and as measured by generally accepted standards, is less than the cost of living was at the

213 time of the first increase granted to the member; except that, the reductions shall not exceed the  
214 amount of increases which have been made to the member's allowance after December 31, 1976.

215 14. Any application for retirement shall include a sworn statement by the member  
216 certifying that the spouse of the member at the time the application was completed was aware  
217 of the application and the plan of retirement elected in the application.

218 15. Notwithstanding any other provision of law, any person retired prior to September  
219 28, 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of  
220 subsection 3 of this section, as such option existed prior to September 28, 1983, and whose  
221 beneficiary nominated to receive continued retirement allowance payments under the elected  
222 option dies or has died, shall upon application to the board of trustees have his or her retirement  
223 allowance increased to the amount he or she would have been receiving had the option not been  
224 elected, actuarially adjusted to recognize any excessive benefits which would have been paid to  
225 him or her up to the time of application.

226 16. Benefits paid pursuant to the provisions of the public school retirement system of  
227 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code  
228 except as provided pursuant to this subsection. Notwithstanding any other law to the contrary,  
229 the board of trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the  
230 United States Code. Such plan shall be created solely for the purpose described in Section  
231 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may promulgate  
232 regulations necessary to implement the provisions of this subsection and to create and administer  
233 such benefit plan.

234 17. Notwithstanding any other provision of law to the contrary, any person retired before,  
235 on, or after May 26, 1994, shall be made, constituted, appointed and employed by the board as  
236 a special consultant on the matters of education, retirement and aging, and upon request shall  
237 give written or oral opinions to the board in response to such requests. As compensation for such  
238 duties the person shall receive an amount based on the person's years of service so that the total  
239 amount received pursuant to sections 169.010 to 169.141 shall be at least the minimum amounts  
240 specified in subdivisions (1) to (4) of this subsection. In determining the minimum amount to  
241 be received, the amounts in subdivisions (3) and (4) of this subsection shall be adjusted in  
242 accordance with the actuarial adjustment, if any, that was applied to the person's retirement  
243 allowance. In determining the minimum amount to be received, beginning September 1, 1996,  
244 the amounts in subdivisions (1) and (2) of this subsection shall be adjusted in accordance with  
245 the actuarial adjustment, if any, that was applied to the person's retirement allowance due to  
246 election of an optional form of retirement having a continued monthly payment after the person's  
247 death. Notwithstanding any other provision of law to the contrary, no person retired before, on,  
248 or after May 26, 1994, and no beneficiary of such a person, shall receive a retirement benefit

249 pursuant to sections 169.010 to 169.141 based on the person's years of service less than the  
250 following amounts:

- 251 (1) Thirty or more years of service, one thousand two hundred dollars;
- 252 (2) At least twenty-five years but less than thirty years, one thousand dollars;
- 253 (3) At least twenty years but less than twenty-five years, eight hundred dollars;
- 254 (4) At least fifteen years but less than twenty years, six hundred dollars.

255 18. Notwithstanding any other provisions of law to the contrary, any person retired prior  
256 to May 26, 1994, and any designated beneficiary of such a retired member who was deceased  
257 prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a  
258 special consultant on the matters of education, retirement or aging and upon request shall give  
259 written or oral opinions to the board in response to such requests. Beginning September 1, 1996,  
260 as compensation for such service, the member shall have added, pursuant to this subsection, to  
261 the member's monthly annuity as provided by this section a dollar amount equal to the lesser of  
262 sixty dollars or the product of two dollars multiplied by the member's number of years of  
263 creditable service. Beginning September 1, 1999, the designated beneficiary of the deceased  
264 member shall as compensation for such service have added, pursuant to this subsection, to the  
265 monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars  
266 or the product of two dollars multiplied by the member's number of years of creditable service.  
267 The total compensation provided by this section including the compensation provided by this  
268 subsection shall be used in calculating any future cost-of-living adjustments provided by  
269 subsection 12 of this section.

270 19. Any member who has retired prior to July 1, 1998, and the designated beneficiary  
271 of a deceased retired member shall be made, constituted, appointed and employed by the board  
272 as a special consultant on the matters of education, retirement and aging, and upon request shall  
273 give written or oral opinions to the board in response to such requests. As compensation for such  
274 duties the person shall receive a payment equivalent to eight and seven-tenths percent of the  
275 previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity  
276 and which shall not be subject to the provisions of subsections 12 and 13 of this section for the  
277 purposes of the limit on the total amount of increases which may be received.

278 20. Any member who has retired shall be made, constituted, appointed and employed  
279 by the board as a special consultant on the matters of education, retirement and aging, and upon  
280 request shall give written or oral opinions to the board in response to such request. As  
281 compensation for such duties, the person shall receive as a part of compensation for these duties  
282 a death benefit of five thousand dollars.

283 21. Any member who has retired prior to July 1, 1999, and the designated beneficiary  
284 of a retired member who was deceased prior to July 1, 1999, shall be made, constituted,



285 appointed and employed by the board as a special consultant on the matters of education,  
286 retirement and aging, and upon request shall give written or oral opinions to the board in  
287 response to such requests. As compensation for such duties, the person shall have added,  
288 pursuant to this subsection, to the monthly annuity as provided by this section a dollar amount  
289 equal to five dollars times the member's number of years of creditable service.

290       22. Any member who has retired prior to July 1, 2000, and the designated beneficiary  
291 of a deceased retired member shall be made, constituted, appointed and employed by the board  
292 as a special consultant on the matters of education, retirement and aging, and upon request shall  
293 give written or oral opinions to the board in response to such requests. As compensation for such  
294 duties, the person shall receive a payment equivalent to three and five-tenths percent of the  
295 previous month's benefit, which shall be added to the member or beneficiary's monthly annuity  
296 and which shall not be subject to the provisions of subsections 12 and 13 of this section for the  
297 purposes of the limit on the total amount of increases which may be received.

298       23. Any member who has retired prior to July 1, 2001, and the designated beneficiary  
299 of a deceased retired member shall be made, constituted, appointed and employed by the board  
300 as a special consultant on the matters of education, retirement and aging, and upon request shall  
301 give written or oral opinions to the board in response to such requests. As compensation for such  
302 duties, the person shall receive a dollar amount equal to three dollars times the member's number  
303 of years of creditable service, which shall be added to the member's or beneficiary's monthly  
304 annuity and which shall not be subject to the provisions of subsections 12 and 13 of this section  
305 for the purposes of the limit on the total amount of increases which may be received.

**169.073. 1. Any member eligible for a retirement allowance pursuant to section  
2 169.070 and who has not previously received a retirement allowance, and whose sum of age  
3 and creditable service equals eighty-six years or more or whose creditable service is thirty-  
4 three years or more or whose age is sixty-three years or more and who has eight years or  
5 more of creditable service may elect a distribution under the partial lump sum option plan  
6 provided in this section if the member notifies the retirement system on the application for  
7 retirement.**

8       **2. A member entitled to make an election pursuant to this section may elect to  
9 receive a lump sum distribution in addition to the member's monthly retirement allowance  
10 pursuant to section 169.070, as reduced pursuant to this section. Such member may elect  
11 the amount of the member's lump sum distribution from one, but not more than one, of the  
12 following options:**

13       **(1) A lump sum amount equal to twelve times the retirement allowance the member  
14 would receive if no election were made pursuant to this section and the member had chosen  
15 option 1 pursuant to section 169.070;**

16           **(2) A lump sum amount equal to twenty-four times the retirement allowance the**  
17 **member would receive if no election were made pursuant to this section and the member**  
18 **had chosen option 1 pursuant to section 169.070; or**

19           **(3) A lump sum amount equal to thirty-six times the retirement allowance the**  
20 **member would receive if no election were made pursuant to this section and the member**  
21 **had chosen option 1 pursuant to section 169.070.**

22           **3. When a member makes an election to receive a lump sum distribution pursuant**  
23 **to this section, the retirement allowance that the member would have received in the**  
24 **absence of the election shall be reduced on an actuarially equivalent basis to reflect the**  
25 **payment of the lump sum distribution and the reduced retirement allowance shall be the**  
26 **member's retirement allowance thereafter for all purposes in relation to retirement**  
27 **allowance amounts pursuant to section 169.070. A retirement allowance increased due to**  
28 **the death of a person nominated by the member to receive benefits pursuant to the**  
29 **provisions of option 2, 3, or 4 of subsection 3 of section 169.070 shall be increased pursuant**  
30 **to such provisions to the amount the retired member would be receiving had the retired**  
31 **member elected option 1 as actuarially reduced due to the lump sum distribution made**  
32 **pursuant to this section. Any payment of accumulated contributions pursuant to the**  
33 **provisions of sections 169.010 to 169.141 shall be reduced by the amount of any lump sum**  
34 **distribution made pursuant to this section in addition to any other reductions required by**  
35 **sections 169.010 to 169.141.**

36           **4. If the member dies before receiving a lump sum distribution pursuant to this**  
37 **section, the lump sum distribution shall be paid in accordance with rules adopted by the**  
38 **board of trustees.**

39           **5. Benefits paid pursuant to this section, in addition to all other provisions of the**  
40 **public school retirement system of Missouri, shall not exceed the limitations of Section 415**  
41 **of Title 26 of the United States Code except as provided in subsection 16 of section 169.070.**

169.570. 1. [An employee having five or more years of membership service under one  
2 of the Missouri retirement systems as provided by sections 169.010 to 169.141, 169.270 to  
3 169.400 or 169.410 to 169.540, who is subsequently employed in a position covered by another  
4 of the Missouri retirement systems, may leave the employee's contributions with the system  
5 under which the employee was first employed and be eligible to receive a benefit based upon the  
6 employee's services under that system when the employee becomes eligible for a service  
7 retirement benefit from another of such Missouri retirement systems or upon having reached  
8 retirement age having previously retired on disability. In the event the member does not become  
9 eligible for a retirement benefit, the employee shall be entitled to a refund of the employee's  
10 contributions with interest upon demand, or to such other benefits as may be provided by law.

11           2.] An employee having less than five years of membership service under one of the  
12 Missouri retirement systems provided in sections 169.010 to 169.141, 169.270 to 169.400 or  
13 169.410 to 169.540, who is subsequently employed in a position covered by another of the  
14 Missouri retirement systems, may elect within five years after employment in a district included  
15 in another of the Missouri retirement systems to purchase membership credit for service rendered  
16 under the first system; provided, however, that the employee shall be entitled to apply the  
17 membership credit thus purchased toward a service retirement only and not for any other benefit.  
18 The purchase shall be effected by the member paying to the retirement system the amount  
19 required by the rules and regulations established by the respective retirement system, or, absent  
20 such rules and regulations, an amount, with interest, based on the annual salary rate of the  
21 employee's initial employment in a district under the system in which credit is being purchased  
22 and the contribution rate in effect in that system at the date of election to purchase credit. In the  
23 retirement systems provided by sections 169.270 to 169.400 and 169.410 to 169.540, the school  
24 district shall contribute the amount required by the statutes and by the rules and regulations  
25 established by the system for each year of creditable service purchased by the incoming member.

26           [3.] **2.** A member of [any] a Missouri public school retirement system **as provided by**  
27 **sections 169.270 to 169.400 or 169.410 to 169.540**, who has previous credit in one of the other  
28 Missouri public school retirement systems may elect to purchase equivalent credit, not to exceed  
29 ten years, in the member's present system provided such credit toward retirement is withdrawn  
30 and benefits terminated in the previous system. A member of [the] a system established by  
31 sections **169.010 to 169.141 or** 169.600 to 169.715 who has previous credit in one of the  
32 Missouri public school retirement systems established by sections **169.010 to 169.141**, 169.270  
33 to 169.400 [or], 169.410 to 169.540, **or 169.600 to 169.715** may elect to purchase equivalent  
34 credit[, not to exceed ten years,] in the member's present system provided such credit toward  
35 retirement is withdrawn and benefits terminated in the previous system. The purchase shall be  
36 effected by the member paying to the retirement system the amount required by the rules and  
37 regulations established by the respective retirement system, or absent such rules and regulations,  
38 an amount, with interest, based on the annual salary rate of the member's initial employment in  
39 a district under the system in which credit is being purchased and the contribution rate in effect  
40 in that system at the date of election to purchase credit.

41           [4.] **3.** Nothing in this section shall decrease or discontinue the benefits provided by the  
42 sections of the statutes relating to any of the public school retirement systems in the state of  
43 Missouri.

44           [5.] **4.** Payment **made by a member of any Missouri public school retirement system**  
45 **as provided by sections 169.270 to 169.400 or 169.410 to 169.540**, pursuant to the provisions  
46 of this section shall be made before retirement and over a period of time, with interest on the

47 unpaid balance, not to exceed the number of years of credit being purchased, in accordance with  
48 rules and regulations established by the respective retirement systems. **Payment made by a**  
49 **member of any Missouri public school retirement system as provided by sections 169.010**  
50 **to 169.141 or 169.600 to 169.715, pursuant to the provisions of this section shall be**  
51 **completed prior to termination of membership with the retirement system with interest on**  
52 **the unpaid balance, in accordance with rules and regulations established by the respective**  
53 **retirement systems.** The individual purchasing credit must have service credit as a member of  
54 the retirement system for at least as many years before retirement as the number of years of credit  
55 being purchased.

169.577. Any member of a retirement system [subject to the provisions of this chapter]  
2 **established by sections 169.410 to 169.540**, who is within five years of being eligible to retire  
3 with a retirement allowance as provided in this chapter, may elect to purchase additional  
4 creditable service of up to four-tenths of a year which shall, when so purchased, be included in  
5 the total of the member's years of creditable service, used to enable the member to achieve the  
6 minimum creditable service time required for a retirement allowance, and applied in the  
7 computation of the member's annual service retirement allowance. **Any member of a**  
8 **retirement system established by sections 169.010 to 169.141, 169.270 to 169.400, or 169.600**  
9 **to 169.715, who is within five years of being eligible to retire with a retirement allowance**  
10 **as provided in this chapter, may elect to purchase additional creditable service of up to**  
11 **five-tenths of a year which shall, when so purchased, be included in the total of the**  
12 **member's years of creditable service, used to enable the member to achieve the minimum**  
13 **creditable service time required for a retirement allowance, and applied in the computation**  
14 **of the member's annual service retirement allowance. For any member of a retirement**  
15 **system established by sections 169.010 to 169.141 or 169.600 to 169.715, and**  
16 **notwithstanding any other provision within this section to the contrary, the purchase shall**  
17 **be effected in the same manner as provided in section 169.056.** The request for purchase of  
18 the additional creditable service shall be made in writing to the board of trustees of the system  
19 in which the applicant is a member. The purchase shall be effected by the member paying to the  
20 retirement system the amount required by the rules and regulations established by the respective  
21 retirement system, or absent such rules and regulations, the amount, with interest, the member  
22 would have contributed thereto and the amount the member's employer would have contributed  
23 thereto had the person been employed in a position covered by the retirement system for the  
24 number of months for which the member is electing to purchase credit, and had the member's  
25 compensation during such period been the same as the annual salary rate at which the member  
26 is receiving at the time of application, and the contribution rate in effect on the date of election  
27 to purchase credit. **For members of a retirement system established by sections 169.270 to**

28 **169.400 or 169.410 to 169.540**, the payment may be made over a period not longer than the  
29 period of membership service credit being purchased, measured from the date of election, and  
30 with interest on the unpaid balance. **For members of a retirement system established by**  
31 **sections 169.010 to 169.141 or 169.600 to 169.715, the payment shall be completed prior to**  
32 **termination of membership with the retirement system and with interest on the unpaid**  
33 **balance.** Nothing in this section shall be construed to allow a member to vest in the retirement  
34 system by using the creditable service purchased pursuant to the provisions of this section to  
35 reach the time of vesting.

169.590. 1. Any insurance contract or plan, including a noninsurance health benefit  
2 program, which provides group health insurance or benefits for employees who are members of  
3 any retirement system established pursuant to this chapter shall contain provisions that permit:

4 (1) Any employee who retires, or who has retired, and is receiving or is eligible to  
5 receive retirement benefits under this chapter to remain or become a member of the group,  
6 including a noninsurance health benefit program, and to receive benefits at the same rate as all  
7 other members of the group;

8 (2) The spouse or surviving spouse of any employee to remain or become a member of  
9 the group, including a noninsurance health benefit program, so long as such spouse is receiving  
10 or is eligible to receive retirement benefits under this chapter; and

11 (3) The children or children who survive any employee to remain or become members  
12 of the group, including a noninsurance health benefit program, so long as they are receiving or  
13 are eligible to receive retirement benefits under this chapter.

14 2. The plan or contract may provide a different level of coverage for any person electing  
15 to remain or become a member of an eligible group, including a noninsurance health benefit  
16 program, as provided in subsection 1 of this section if such person is eligible for Medicare under  
17 the federal Health Insurance for the Aged Act, 42 U.S.C. 1395, as amended.

18 3. A person electing to become or remain a member of a group, including a noninsurance  
19 health benefit program, under subsection 1 of this section shall pay the premium for such  
20 coverage, including the premium for any covered dependents.

21 4. School districts entering into a contract with an insurance company which provides  
22 group health insurance or benefits for employees, including provisions for a noninsurance health  
23 benefit program, shall specify that such contract provides coverage for persons who have retired,  
24 their spouses and unmarried dependent children and that the enrollment period for such coverage  
25 shall be clearly stated for a period of time of not less than thirty days. [Those persons who  
26 retired prior to August 28, 1992, shall have one year from that date to qualify for the coverage  
27 provided. Those persons who retire after August 28, 1992,] **Employees** shall have one year from  
28 the date [of retirement to qualify for the coverage provided] **last employed by a school district**

29 **that is subject to coverage pursuant to this section to qualify for the coverage provided.**

30         5. School districts failing to comply with the provisions of this section shall have  
31 deducted from the state aid due such school district an amount equal to the premium for group  
32 health insurance, including a noninsurance health benefit program, for those persons denied the  
33 benefits required under the provisions of this section.

34         6. As used in this section, the term "noninsurance health benefit program" includes all  
35 group health plans or programs providing coverage on an expense-incurred basis, group service  
36 or indemnity type contracts issued by a nonprofit corporation, and all self-insured group health  
37 benefit plans or programs, of any type or description.

**169.596. 1. Any school district with a shortage of certified teachers, as determined  
2 by the school district, may allow retired certificated teachers from any Missouri public  
3 teacher retirement system to teach full-time for up to two years without losing his or her  
4 retirement benefits. The total number of such retired certificated teachers shall not exceed,  
5 at any one time, the greater of ten percent of the total teacher staff for that school district,  
6 or five certificated teachers.**

7         **2. Any retired certificated teacher hired pursuant to this section shall be included  
8 in the State Directory of New Hires for purposes of income and eligibility verification  
9 pursuant to 42 U.S.C. Section 1320b-7.**

10         **3. Any school district with a shortage of noncertificated employees, as determined  
11 by the school district, may allow individuals retired pursuant to sections 169.600 to 169.715  
12 to be employed full-time for up to two years without losing his or her retirement benefits.  
13 The total number of such retired noncertificated employees shall not exceed, at any one  
14 time, the greater of ten percent of the total noncertificated staff for that school district, or  
15 five employees.**

16         **4. The employer's contribution rate shall be paid by the hiring school district.**

17         **5. In order to hire teachers and noncertificated employees pursuant to the  
18 provisions of this section, the school district shall:**

19             **(1) Show a good faith effort to fill positions with nonretired teachers;**

20             **(2) Post the vacancy for at least one month;**

21             **(3) Have not offered early retirement incentives for either of the previous two  
22 years;**

23             **(4) Solicit applications through the local newspaper, other media, or teacher  
24 education programs;**

25             **(5) Determine there is an insufficient number of eligible applicants for the  
26 advertised position; and**

27             **(6) Declare a critical shortage of teachers that is active for one year.**

169.620. 1. The funds required for the operation of the retirement system created by sections 169.600 to 169.715 shall come from contributions made in equal amounts by employees as herein defined and their employers, beginning November 1, 1965, and from such interest or income as may be derived from the investment of funds of the system. All contributions shall be transmitted to the board of trustees by employers in such manner and at such times as the board by rule shall require.

2. For each school year following the date on which the system becomes operative, each and every employer of one or more persons who are members of the system shall transmit to the board of trustees, in the manner and accompanied by such supporting data as the board shall prescribe, twice the amount that is deductible from the pay of such employee or employees during the school year. Failure or refusal to transmit such amount as required shall render the person or persons responsible therefor individually liable for twice the amount so withheld. Suits for the recovery of amounts for which individuals are thus rendered liable shall be instituted and prosecuted by the board of trustees in the name of the retirement system. In addition to such civil penalty, and not in lieu thereof, any person or persons made responsible for the remittance of contributions who shall willfully and knowingly fail or refuse to transmit such contributions or any part thereof to the board of trustees shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than twenty-five dollars and not more than two hundred dollars. Each day such person or persons shall so fail or refuse to transmit such contributions shall be deemed a separate offense. The board of trustees may request the employer to provide the information necessary to administer the system and to advise each member of such member's status.

3. The contributions of members of the retirement system shall be collected by their employers through appropriate deductions from paychecks. The total amount deducted from the paychecks of members during any school year shall equal such a percent of their salary rates as may be required by the contribution rate then in effect. For contribution purposes any annual salary rate less than one thousand two hundred dollars shall be regarded as one thousand two hundred dollars. Contributions transmitted to the retirement system before February 20, 1996, based on salary rates which either included or excluded employer-paid medical benefits for members, shall be deemed to have been in compliance with this section. The retirement system shall not refund or adjust contributions or adjust benefit determinations with respect to any period before February 20, 1996, solely because of the treatment of employer-paid medical benefits for members. Effective December 31, 1995, compensation in excess of the limitations set forth in Section 401(a)(17) of Title 26 of the United States Code shall be disregarded for purposes of determining contributions pursuant to this section and calculating benefits paid by the nonteacher school employee retirement system of Missouri. The limitation on compensation

37 for eligible employees shall not be less than the amount which was allowed to be taken into  
38 account under the system as in effect on July 1, 1993. For the purpose of this subsection, an  
39 "eligible employee" is an individual who was a member of the system before July 1, 1996.

40 4. [The contribution rate shall be three percent of earnings until July 1, 1982.] The board  
41 of trustees [is authorized to] **shall fix and certify to the employers** the level rate of  
42 contribution[, which shall not exceed five percent, required for the operation of the system and  
43 to make adjustments in such rate as may thereafter be necessary; provided that, if the level rate  
44 required for the operation of the system shall exceed five percent for five consecutive years, all  
45 benefits herein provided shall be equitably reduced to such an extent that the rate required for  
46 the operation of the system shall be five percent.] **subject to the following:**

47 **(1) The level rate of contribution for a fiscal year shall not exceed the level rate of**  
48 **contribution for the prior fiscal year by more than one-quarter percent;**

49 **(2) The board shall fix and certify to the employers the rate of contribution for a**  
50 **fiscal year no later than six months prior to the date such rate is to be effective;**

51 **(3) The board shall fix and certify to the employers the rate of contribution for a**  
52 **fiscal year based on an actuarial valuation of the system as of a date not earlier than the**  
53 **last day of the second prior fiscal year. Such actuarial valuation of the system shall be**  
54 **performed using processes and actuarial assumptions that are in accordance with actuarial**  
55 **standards of practice in effect at the time the valuation is performed, as promulgated by**  
56 **the actuarial standards board or its successor; provided that such actuarial valuation shall**  
57 **be based on the entry age normal actuarial cost method and an asset valuation method**  
58 **based on the market value of system assets that may provide for smoothing of investment**  
59 **gains and losses, and further, that the level rate of contribution shall be the total of the**  
60 **normal cost and a rate which shall amortize the unfunded actuarial accrued liability over**  
61 **a period that shall not exceed thirty years from the date of the valuation, subject to the**  
62 **limitations of this subsection; and**

63 **(4) Not less than once every ten years the board shall have an actuary, other than**  
64 **the actuary performing the actuarial valuation pursuant to this section, review such**  
65 **actuarial valuation and perform an additional actuarial valuation of the system.**

66 5. Regardless of the provisions of any law governing compensation and contracts, every  
67 employee shall be deemed to consent and agree to the deductions provided herein. Payment of  
68 salary or compensation less such deduction shall be a full and complete discharge of all salary  
69 or compensation claims and demands during the period covered by such payment, except as to  
70 the benefits provided pursuant to sections 169.600 to 169.715.

71 6. A person serving as an employee as defined in section 169.600, who became a  
72 member after November 1, 1965, and before July 1, 1974, and who was regularly employed to



73 serve for twenty or more hours per week at some time during the period November 1, 1965, to  
74 July 1, 1974, may receive membership service credit for such service by paying into the system  
75 the amount, with interest at such rate as may be set by the board within the limits set by law for  
76 interest rates, the person would have contributed had the person been eligible for membership.

77 7. [Any member who rendered service as an employee as defined in section 169.600 for  
78 a junior college district at any time between October 31, 1965, and the effective date of an  
79 agreement between the junior college and the board of trustees as provided in section 169.600  
80 may elect to purchase membership service credit for that service. The election shall include all  
81 service for which the member is eligible to purchase credit, and shall be made prior to retirement.  
82 The purchase shall be effected by the member's paying to the system with interest, and within  
83 the time period allowed by law for the election, the contributions which would have been  
84 deducted from the employee's salary had the employee been a member during the period or  
85 periods of such service, and had the contribution rate in effect at the date of election been in  
86 effect at the time the service was rendered. Other provisions of law to the contrary  
87 notwithstanding, no membership credit shall be allowed pursuant to the provisions of this section  
88 which exceeds in length the member's creditable service for employment rendered after October  
89 31, 1965.] **Notwithstanding any other provision of sections 169.600 to 169.715 to the**  
90 **contrary, no legislation shall be enacted after July 1, 2003, that increases benefits provided**  
91 **to members or retirees of the nonteacher school employee retirement system of Missouri**  
92 **above that which may be funded using a rate of contribution of five percent as determined**  
93 **using an actuarial valuation as provided in subsection 4 of this section; provided that,**  
94 **notwithstanding the provisions of this subsection, legislation may be enacted after July 1,**  
95 **2003, that provides for an extension of time within which a member may make an election**  
96 **pursuant to subdivision (4) of subsection 1 of section 169.670.**

169.650. 1. On and after October 13, 1965, all employees as defined in section 169.600  
2 of districts included in this retirement system shall be members of the system by virtue of their  
3 employment, and all persons who had five years of prior service who were employees of districts  
4 included in sections 169.600 to 169.710 during the school year next preceding October 13, 1965,  
5 but who ceased to be employees prior to October 13, 1965, because of physical disability, shall  
6 be members of this system by virtue of that prior service. Individuals who qualify as  
7 independent contractors under the common law and are treated as such by their employer shall  
8 not be considered employees for purposes of membership in or contributions to the retirement  
9 system.

10 2. Any member who rendered service prior to November 1, 1965, as an employee as  
11 defined in section 169.600 in a district or junior college district included in the system may claim  
12 credit for that service by filing with the board of trustees a complete and detailed record of the

13 service for which the credit is claimed, together with such supporting evidence as the board may  
14 require for verification of the record. To the extent that the board finds the record correct, it shall  
15 credit the claimant with prior service and shall notify the claimant of its decision.

16 3. Membership shall be terminated by failure of a member to earn any membership  
17 service credit as a public school employee under this system for five consecutive school years,  
18 by death, withdrawal of contributions, or retirement.

19 4. If a member withdraws or is refunded the member's contributions, the member shall  
20 thereby forfeit any creditable service the member may have; provided, however, if such person  
21 again becomes a member of the system, the member may elect prior to retirement to reinstate any  
22 creditable service forfeited at the [time of withdrawal or refund] **times of previous withdrawals**  
23 **or refunds**. The reinstatement shall be effected by the member paying to the retirement system,  
24 with interest, the amount of accumulated contributions withdrawn by the member or refunded  
25 to the member with respect to the service being reinstated. A member may reinstate less than  
26 the total service previously forfeited, in accordance with rules promulgated by the board of  
27 trustees. The payment [may be made over a period not to exceed the length of the service to be  
28 reinstated, beginning from the date of election, or prior to retirement, whichever is earlier, and]  
29 **shall be completed prior to termination of membership with the retirement system** with  
30 interest on the unpaid balance; provided, however, that if a member is retired on disability before  
31 completing such payments, the balance due, with interest, shall be deducted from the member's  
32 disability retirement allowance.

33 5. Any person who is an employee of any statewide nonprofit educational association  
34 or organization serving the active membership of the nonteacher school employee retirement  
35 system of Missouri and who works at least twenty hours per week on a regular basis in a position  
36 which is not covered by the public school retirement system of Missouri may be a member of the  
37 nonteacher school employee retirement system of Missouri. Certificated employees of such  
38 statewide nonprofit educational association or organization may not be members of the public  
39 school retirement system of Missouri unless such association or organization makes separate  
40 application pursuant to subsection 4 of section 169.130. The contributions required to be made  
41 by the employee will be deducted from salary and matched by the association or organization.

169.655. 1. [Effective January 1, 1997,] Members who have accrued at least one year  
2 of membership service credit for employment in a position covered by this [section] **retirement**  
3 **system and who have covered employment with this retirement system following the service**  
4 **for which credit is being purchased** may purchase membership service credit under the  
5 circumstances, terms and conditions provided in this section. With respect to each such purchase  
6 authorized by this section the following provisions apply:

7 (1) The purchase shall be effected by the member paying to the retirement system [with

8 interest,] the amount the member would have contributed and the amount the employer would  
9 have contributed had such member been an employee for the number of years for which the  
10 member is electing to purchase credit, and had the member's compensation during such period  
11 been the [same as the annual salary rate at which the member is first employed in a position  
12 qualifying for membership in the retirement system after the period being purchased, provided  
13 that the cost shall not exceed the actuarial value of the credit being purchased] **highest annual**  
14 **salary rate on record with the retirement system on the date of election to purchase credit.**  
15 The contribution rate used in determining the amount to be paid shall be the contribution rate in  
16 effect on the date of election to purchase credit]. The interest rate used in determining the  
17 amount to be paid shall be the actuarially assumed rate of return on invested funds of the system  
18 in effect at the date of election to purchase credit];

19 (2) [Payment shall be made over a period not longer than the period of membership  
20 service credit being purchased, measured from the date of election, and with interest on the  
21 unpaid balance;

22 (3) Membership service credit purchased pursuant to this section shall be deemed to be  
23 membership service as defined in subdivision (10) of section 169.600;

24 [(4)] (3) An election to purchase membership service credit pursuant to this section and  
25 payment for the purchase shall be completed prior to [retirement] **termination of membership**  
26 **with the retirement system with interest on the unpaid balance;**

27 [(5)] (4) Members may purchase membership service credit in increments of one-tenth  
28 of a year, and multiple elections to purchase may be made;

29 [(6)] (5) Additional terms and conditions applicable to purchases made pursuant to this  
30 section including, but not limited to, minimum payments, payment schedules and provisions  
31 applicable when a member fails to complete payment may be set by rules of the board.

32 2. Membership service credit shall not be allowed pursuant to this section **or sections**  
33 **169.570 and 169.577** which exceeds in length the member's membership service credit for  
34 employment in a position covered by this system, and in no event may the member receive  
35 membership service credit with both this system and another public retirement [plan, as defined  
36 in section 105.660, RSMo,] **system** for the same service.

37 3. A member who [had rendered service as an employee] **was employed** for at least  
38 twenty hours per week [for] **on a regular basis by** a public school district, **public junior**  
39 **college, public community college, public college, or public university, either inside or**  
40 outside of this state [including service in a public university or who has rendered service in the  
41 University of Missouri or Lincoln University after November 1, 1965], may elect [prior to  
42 retirement] to purchase equivalent membership service credit [but not in excess of ten years. An  
43 affidavit shall be required stipulating that the member is not presently receiving compensation

44 from another school employee retirement system and will not receive credit in another system  
45 for the creditable time purchased].

46 4. [(1)] A member who [enters the service of] **has served in** the armed forces of the  
47 United States of America **and** who [is an employee in a district included in the system at the time  
48 such member is inducted, enlisted or called to active duty, and who without voluntary  
49 reenlistment becomes an employee in a district within one year after discharge from such service  
50 shall not be subject to the provisions of subsection 3 of section 169.650 with regard to  
51 termination of membership due to the period of actual service in the armed forces of the United  
52 States. Such a member may elect prior to retirement to purchase membership service credit for  
53 the entire period of service in the armed forces of the United States, but not to exceed five years.  
54 The purchase may be made only if the member] was discharged or separated from the armed  
55 forces by other than a dishonorable discharge].

56 (2) A member who had served in the armed forces of the United States prior to becoming  
57 a member, and who becomes employed in a position qualifying for membership in the retirement  
58 system after such member's discharge under honorable conditions] may elect[, prior to  
59 retirement,] to purchase membership service credit for the [entire] period of **active duty** service  
60 in the armed forces[, but not to exceed five years].

61 5. Any member granted unpaid maternity or paternity leave for a period, from a position  
62 covered by the retirement system, who returned to employment **in such a position**, may elect  
63 [prior to retirement] to purchase membership service credit for the period of leave. [No member  
64 may purchase more than four years of membership service credit pursuant to this subsection.]

65 6. Any member who is or was certified as a vocational-technical teacher on the basis of  
66 having a college degree or who was required to have a period of work experience of at least two  
67 years in the area of the subject being taught in order to qualify for such certification may, upon  
68 written application to the board, purchase equivalent membership service credit for such work  
69 experience which shall not exceed the two years necessary for certification if the work  
70 experience was in the area that the member taught or is teaching and was completed in two years.

71 7. Any member who had membership service credit with the public school retirement  
72 system of Missouri governed by sections 169.010 to 169.141 but which membership service  
73 credit was forfeited by withdrawal or refund, may elect [prior to retirement,] to purchase credit  
74 for such service [and receive pro rata credit not to exceed a total of ten years in this system for  
75 the service]. The public school retirement system of Missouri shall transfer to this system an  
76 amount equal to the employer contributions for the forfeited service being purchased, plus  
77 interest, which shall be applied to reduce the amount the member would otherwise pay for the  
78 purchase, provided that the amount transferred shall not exceed one-half of the purchase cost.

79 8. A member may elect to purchase membership service credit for service rendered while

80 on leave from an employer, as defined in section 169.600, for a not-for-profit corporation or  
81 agency whose primary purpose is support of education or education research[, not to exceed two  
82 years] if the member was employed by that organization to serve twenty or more hours per  
83 week[; provided the member has returned to service for at least one year as an employee of the  
84 employer that granted the leave] **on a regular basis.**

85 9. A member [having membership service credit in the retirement system provided by  
86 sections 169.600 to 169.715, after the member] **who** was employed by a private school [to  
87 serve], **private junior college, private community college, private college, or private**  
88 **university, either inside or outside of this state, for at least** twenty or more hours per week  
89 **on a regular basis**, may elect to purchase membership service credit for **such** service rendered  
90 [to the private school, but not to exceed three years. As used in this subsection, the term "private  
91 school" means a school which is not a part of the public school system of this state and which  
92 charges tuition for the rendering of elementary and secondary educational services].

169.670. 1. The retirement allowance of a member whose age at retirement is sixty years  
2 or more and whose creditable service is five years or more, or whose sum of age and creditable  
3 service equals eighty years or more, or whose creditable service is thirty years or more regardless  
4 of age, shall be the sum of the following items:

5 (1) For each year of membership service, one and sixty-one hundredths percent of the  
6 member's final average salary;

7 (2) Six-tenths of the amount payable for a year of membership service for each year of  
8 prior service;

9 (3) Eighty-five one-hundredths of one percent of any amount by which the member's  
10 average compensation for services rendered prior to July 1, 1973, exceeds the average monthly  
11 compensation on which federal Social Security taxes were paid during the period over which  
12 such average compensation was computed, for each year of membership service credit for  
13 services rendered prior to July 1, 1973, plus six-tenths of the amount payable for a year of  
14 membership service for each year of prior service credit;

15 (4) In lieu of the retirement allowance otherwise provided by subdivisions (1) to (3) of  
16 this subsection, between July 1, 2001, and July 1, [2003] **2008**, a member may elect to receive  
17 a retirement allowance of:

18 (a) One and fifty-nine hundredths percent of the member's final average salary for each  
19 year of membership service, if the member's creditable service is twenty-nine years or more but  
20 less than thirty years and the member has not attained the age of fifty-five;

21 (b) One and fifty-seven hundredths percent of the member's final average salary for each  
22 year of membership service, if the member's creditable service is twenty-eight years or more but  
23 less than twenty-nine years, and the member has not attained the age of fifty-five;

24 (c) One and fifty-five hundredths percent of the member's final average salary for each  
25 year of membership service, if the member's creditable service is twenty-seven years or more but  
26 less than twenty-eight years and the member has not attained the age of fifty-five;

27 (d) One and fifty-three hundredths percent of the member's final average salary for each  
28 year of membership service, if the member's creditable service is twenty-six years or more but  
29 less than twenty-seven years and the member has not attained the age of fifty-five;

30 (e) One and fifty-one hundredths percent of the member's final average salary for each  
31 year of membership service, if the member's creditable service is twenty-five years or more but  
32 less than twenty-six years and the member has not attained the age of fifty-five; and

33 (5) In addition to the retirement allowance provided in subdivisions (1) to (3) of this  
34 subsection, a member retiring on or after July 1, 2001, whose creditable service is thirty years  
35 or more or whose sum of age and creditable service is eighty years or more, shall receive a  
36 temporary retirement allowance equivalent to eight-tenths of one percent of the member's final  
37 average salary multiplied by the member's years of service until such time as the member reaches  
38 the minimum age for Social Security retirement benefits.

39 2. If the board of trustees determines that the cost of living, as measured by generally  
40 accepted standards, increases five percent or more in the preceding fiscal year, the board shall  
41 increase the retirement allowances which the retired members or beneficiaries are receiving by  
42 five percent of the amount being received by the retired member or the beneficiary at the time  
43 the annual increase is granted by the board; provided that, the increase provided in this  
44 subsection shall not become effective until the fourth January first following a member's  
45 retirement or January 1, 1982, whichever occurs later, and the total of the increases granted to  
46 a retired member or the beneficiary after December 31, 1981, may not exceed eighty percent of  
47 the retirement allowance established at retirement or as previously adjusted by other provisions  
48 of law. If the cost of living increases less than five percent, the board of trustees may determine  
49 the percentage of increase to be made in retirement allowances, but at no time can the increase  
50 exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no  
51 increase in allowances for retired members on the following January first.

52 3. The board of trustees may reduce the amounts which have been granted as increases  
53 to a member pursuant to subsection 2 of this section if the cost of living, as determined by the  
54 board and as measured by generally accepted standards, is less than the cost of living was at the  
55 time of the first increase granted to the member; provided that, the reductions shall not exceed  
56 the amount of increases which have been made to the member's allowance after December 31,  
57 1981.

58 4. (1) In lieu of the retirement allowance provided in subsection 1 of this section, called  
59 "option 1", a member whose creditable service is twenty-five years or more or who has attained

60 age fifty-five with five or more years of creditable service may elect, in the application for  
61 retirement, to receive the actuarial equivalent of the member's retirement allowance in reduced  
62 monthly payments for life during retirement with the provision that:

63 Option 2. Upon the member's death, the reduced retirement allowance shall be continued  
64 throughout the life of and paid to such person as has an insurable interest in the life of the  
65 member as the member shall have nominated in the member's election of the option, and  
66 provided further that if the person so nominated dies before the retired member, the retirement  
67 allowance will be increased to the amount the retired member would be receiving had the  
68 member elected option 1;

69 OR

70 Option 3. Upon the death of the member three-fourths of the reduced retirement  
71 allowance shall be continued throughout the life of and paid to such person as has an insurable  
72 interest in the life of the member and as the member shall have nominated in an election of the  
73 option, and provided further that if the person so nominated dies before the retired member, the  
74 retirement allowance will be increased to the amount the retired member would be receiving had  
75 the member elected option 1;

76 OR

77 Option 4. Upon the death of the member one-half of the reduced retirement allowance  
78 shall be continued throughout the life of, and paid to, such person as has an insurable interest in  
79 the life of the member and as the member shall have nominated in an election of the option, and  
80 provided further that if the person so nominated dies before the retired member, the retirement  
81 allowance shall be increased to the amount the retired member would be receiving had the  
82 member elected option 1;

83 OR

84 Option 5. Upon the death of the member prior to the member having received one  
85 hundred twenty monthly payments of the member's reduced allowance, the remainder of the one  
86 hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as  
87 the member shall have nominated in the member's election of the option or in a subsequent  
88 nomination. If there is no beneficiary so nominated who survives the member for the remainder  
89 of the one hundred twenty monthly payments, the reserve for the remainder of such one hundred  
90 twenty monthly payments shall be paid to the estate of the last person to receive a monthly  
91 allowance;

92 OR

93 Option 6. Upon the death of the member prior to the member having received sixty  
94 monthly payments of the member's reduced allowance, the remainder of the sixty monthly  
95 payments of the reduced allowance shall be paid to such beneficiary as the member shall have

96 nominated in the member's election of the option or in a subsequent nomination. If there is no  
97 beneficiary so nominated who survives the member for the remainder of the sixty monthly  
98 payments, the reserve for the remainder of such sixty monthly payments shall be paid to the  
99 estate of the last person to receive a monthly allowance;

100 OR

101 Option 7. A plan of variable monthly benefit payments which provides, in conjunction  
102 with the member's retirement benefits under the federal Social Security laws, level or near-level  
103 retirement benefit payments to the member for life during retirement, and if authorized, to an  
104 appropriate beneficiary designated by the member. Such a plan shall be actuarially equivalent  
105 to the retirement allowance under option 1 and shall be available for election only if established  
106 by the board of trustees under duly adopted rules.

107 (2) The election of an option may be made only in the application for retirement and such  
108 application must be filed prior to the date on which the retirement of the member is to be  
109 effective. If either the member or the person nominated dies before the effective date of  
110 retirement, the option shall not be effective, provided that:

111 (a) If the member or a person retired on disability retirement dies after attaining age  
112 fifty-five and acquiring five or more years of creditable service or after acquiring twenty-five or  
113 more years of creditable service and before retirement, except retirement with disability benefits,  
114 and the person named by the member as the member's primary beneficiary has an insurable  
115 interest in the life of the deceased member, the designated beneficiary may elect to receive either  
116 survivorship payments under option 2 or a payment of the member's accumulated contributions.  
117 If survivorship benefits under option 2 are elected and the member at the time of death would  
118 have been eligible to receive an actuarial equivalent of the member's retirement allowance, the  
119 designated beneficiary may further elect to defer the option 2 payments until the date the member  
120 would have been eligible to receive the retirement allowance provided in subsection 1 of this  
121 section.

122 (b) If the member or a person retired on disability retirement dies before attaining age  
123 fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the  
124 person named as the primary beneficiary has an insurable interest in the life of the deceased  
125 member or disability retiree, the designated beneficiary may elect to receive either a payment of  
126 the person's accumulated contributions, or survivorship benefits under option 2 to begin on the  
127 date the member would first have been eligible to receive an actuarial equivalent of the person's  
128 retirement allowance, or to begin on the date the member would first have been eligible to  
129 receive the retirement allowance provided in subsection 1 of this section.

130 5. If the total of the retirement allowances paid to an individual before the person's death  
131 is less than the person's accumulated contributions at the time of the person's retirement, the



132 difference shall be paid to the person's beneficiary or to the person's estate; provided, however,  
133 that if an optional benefit, as provided in option 2, 3 or 4 in subsection 4, had been elected and  
134 the beneficiary dies after receiving the optional benefit, then, if the total retirement allowances  
135 paid to the retired individual and the individual's beneficiary are less than the total of the  
136 contributions, the difference shall be paid to the estate of the beneficiary unless the retired  
137 individual designates a different recipient with the board at or after retirement.

138         6. If a member dies before receiving a retirement allowance, the member's accumulated  
139 contributions at the time of the member's death shall be paid to the member's beneficiary or to  
140 the member's estate, if there be no beneficiary; provided, however, that no such payment shall  
141 be made if the beneficiary elects option 2 in subsection 4 of this section, unless the beneficiary  
142 dies before having received benefits pursuant to that subsection equal to the accumulated  
143 contributions of the member, in which case the amount of accumulated contributions in excess  
144 of the total benefits paid pursuant to that subsection shall be paid to the estate of the beneficiary.

145         7. If a member ceases to be an employee as defined in section 169.600 and certifies to  
146 the board of trustees that such cessation is permanent or if the person's membership is otherwise  
147 terminated, the person shall be paid the person's accumulated contributions with interest.

148         8. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, if a  
149 member ceases to be an employee as defined in section 169.600 after acquiring five or more  
150 years of creditable service, the member may, at the option of the member, leave the member's  
151 contributions with the retirement system and claim a retirement allowance any time after the  
152 member reaches the minimum age for voluntary retirement. When the member's claim is  
153 presented to the board, the member shall be granted an allowance as provided in sections  
154 169.600 to 169.715 on the basis of the member's age and years of service.

155         9. The retirement allowance of a member retired because of disability shall be  
156 nine-tenths of the allowance to which the member's creditable service would entitle the member  
157 if the member's age were sixty.

158         10. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, any  
159 member who is a member prior to October 13, 1969, may elect to have the member's retirement  
160 allowance computed in accordance with sections 169.600 to 169.715 as they existed prior to  
161 October 13, 1969.

162         11. Any application for retirement shall include a sworn statement by the member  
163 certifying that the spouse of the member at the time the application was completed was aware  
164 of the application and the plan of retirement elected in the application.

165         12. Notwithstanding any other provision of law, any person retired prior to August 14,  
166 1984, who is receiving a reduced retirement allowance under option 1 or 2 of subsection 4 of this  
167 section, as the option existed prior to August 14, 1984, and whose beneficiary nominated to

168 receive continued retirement allowance payments under the elected option dies or has died, shall  
169 upon application to the board of trustees have the person's retirement allowance increased to the  
170 amount the person would have been receiving had the person not elected the option, actuarially  
171 adjusted to recognize any excessive benefits which would have been paid to the person up to the  
172 time of the application.

173 13. Benefits paid pursuant to the provisions of the nonteacher school employee  
174 retirement system of Missouri shall not exceed the limitations of Section 415 of Title 26 of the  
175 United States Code.

176 14. Any member who has retired prior to July 1, 1999, and the designated beneficiary  
177 of a deceased retired member upon request shall be made, constituted, appointed and employed  
178 by the board as a special consultant on the matters of education, retirement and aging. As  
179 compensation for such duties the person shall receive a payment equivalent to seven and  
180 four-tenths percent of the previous month's benefit, which shall be added to the member's or  
181 beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2  
182 and 3 of this section for the purposes of the limit on the total amount of increases which may be  
183 received.

184 15. Any member who has retired prior to July 1, 2000, and the designated beneficiary  
185 of a deceased retired member upon request shall be made, constituted, appointed and employed  
186 by the board as a special consultant on the matters of education, retirement and aging. As  
187 compensation for such duties the person shall receive a payment equivalent to three and  
188 four-tenths percent of the previous month's benefit, which shall be added to the member's or  
189 beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2  
190 and 3 of this section for the purposes of the limit on the total amount of increases which may be  
191 received.

192 16. Any member who has retired prior to July 1, 2001, and the designated beneficiary  
193 of a deceased retired member upon request shall be made, constituted, appointed and employed  
194 by the board as a special consultant on the matters of education, retirement and aging. As  
195 compensation for such duties the person shall receive a payment equivalent to seven and  
196 one-tenth percent of the previous month's benefit, which shall be added to the member's or  
197 beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2  
198 and 3 of this section for the purposes of the limit on the total amount of increases which may be  
199 received.

**169.673. 1. Any member eligible for a retirement allowance pursuant to section  
2 169.670 and who has not previously received a retirement allowance, including an  
3 allowance under disability retirement, pursuant to section 169.670, and whose sum of age  
4 and creditable service equals eighty-six years or more or whose creditable service is thirty-**

5 three years or more or whose age is sixty-three years or more and has eight years or more  
6 creditable service may elect a distribution under the partial lump sum option plan  
7 provided in this section if the member notifies the retirement system on the application for  
8 retirement of the member's effective date of retirement; provided that the partial lump  
9 sum option plan may not be elected if the member elects a retirement allowance under  
10 option 7 of subdivision (1) of subsection 4 of section 169.670.

11 2. A member entitled to make an election pursuant to this section may elect to  
12 receive a lump sum distribution in addition to the member's monthly retirement allowance  
13 payment pursuant to section 169.670 as reduced pursuant to this section. Such member  
14 may elect the amount of the member's lump sum distribution from one, but not more than  
15 one, of the following options:

16 (1) A lump sum amount equal to twelve times the retirement allowance, less any  
17 temporary retirement allowance payable pursuant to subdivision (5) of subsection 1 of  
18 section 169.670, the member would receive if no election were made under this section and  
19 the member had chosen option 1 under section 169.670;

20 (2) A lump sum amount equal to twenty-four times the retirement allowance, less  
21 any temporary retirement allowance payable pursuant to subdivision (5) of subsection 1  
22 of section 169.670, the member would receive if no election were made pursuant to this  
23 section and the member had chosen option 1 under section 169.670; or

24 (3) A lump sum amount equal to thirty-six times the retirement allowance, less any  
25 temporary retirement allowance payable pursuant to subdivision (5) of subsection 1 of  
26 section 169.670, the member would receive if no election were made pursuant to this section  
27 and the member had chosen option 1 under section 169.670.

28 3. When a member makes an election to receive a lump sum distribution pursuant  
29 to this section, the retirement allowance that the member would have received in the  
30 absence of the election shall be reduced on an actuarially equivalent basis to reflect the  
31 payment of the lump sum distribution and the reduced retirement allowance shall be the  
32 member's retirement allowance thereafter for all purposes in relation to retirement  
33 allowance amounts pursuant to section 169.670. If eligible, the member may also receive  
34 a temporary benefit, pursuant to subdivision (5) of subsection 1 of section 169.670, for the  
35 period of time described therein. A retirement allowance increased due to the death of a  
36 person nominated by the member to receive benefits pursuant to the provisions of option  
37 2, 3, or 4 of subsection 4 of section 169.670 shall be increased pursuant to such provisions  
38 to the amount the retired member would be receiving had the retired member elected  
39 option 1 as actuarially reduced due to the lump sum distribution made pursuant to this  
40 section. Any payment of accumulated contributions pursuant to the provisions of sections

41 **169.600 to 169.715 shall be reduced by the amount of any lump sum distribution made**  
42 **pursuant to this section in addition to any other reductions required by sections 169.600**  
43 **to 169.715.**

44 **4. If the member dies before receiving a lump-sum distribution under this section**  
45 **the lump-sum distribution shall be paid in accordance with rules adopted by the board of**  
46 **trustees.**

47 **5. Benefits paid pursuant to this section in addition to all other provisions of the**  
48 **nonteacher school employee retirement system of Missouri shall not exceed the limitations**  
49 **of Section 415 of Title 26 of the United States Code except as provided in subsection 13 of**  
50 **section 169.670.**

Section B. Because the provisions of sections 169.070 and 169.670 of section A will  
2 expire June 30, 2003, the repeal and reenactment of sections 169.070 and 169.670 of section A  
3 of this act is deemed necessary for the immediate preservation of the public health, welfare,  
4 peace, and safety, and is hereby declared to be an emergency act within the meaning of the  
5 constitution, and the repeal and reenactment of sections 169.070 and 169.670 of section A of this  
6 act shall be in full force and effect upon its passage and approval or July 1, 2003, whichever later  
7 occurs.