

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NOS. 346 & 174
92ND GENERAL ASSEMBLY

1195S.08T

2003

AN ACT

To repeal sections 169.030, 169.050, 169.056, 169.070, 169.570, 169.577, 169.590, 169.620, 169.650, 169.655, 169.670, and 169.712, RSMo, and to enact in lieu thereof seventeen 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 169.030, 169.050, 169.056, 169.070, 169.570, 169.577, 169.590, 169.620, 169.650, 169.655, 169.670, and 169.712, RSMo, are repealed and seventeen new sections enacted in lieu thereof, to be known as sections 168.303, 169.030, 169.050, 169.056, 169.070, 169.073, 169.331, 169.570, 169.577, 169.590, 169.596, 169.620, 169.650, 169.655, 169.670, 169.673, and 169.712, to read as follows:

168.303. The state board of education shall adopt rules to facilitate job-sharing positions for classroom teachers, as the term "job-sharing" is defined in this section. These rules shall provide that a classroom teacher in a job-sharing position shall receive paid legal holidays, annual vacation leave, sick leave, and personal leave on a pro rata basis. "Job-sharing position" shall mean any position:

(1) Shared with one other employee;

(2) Requiring employment of at least seventeen hours per week but not more than twenty hours per week on a regular basis; and

(3) Requiring at least seventy percent of all time spent in classroom instruction as determined by the employer;

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.

11 **provided that, job sharing position shall not include instructional support or school**
12 **services positions including, but not limited to, guidance counselor, media coordinator,**
13 **psychologist, social worker, audiologist, speech and language pathologist, and nursing**
14 **positions.**

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

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

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

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

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

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

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

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

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

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

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

45 3. (1) In lieu of the retirement allowance provided either in subsection 1 or 2 of this
46 section, collectively called "option 1", a member whose creditable service is twenty-five years
47 or more or who has attained the age of fifty-five with five or more years of creditable service may
48 elect in the member's application for retirement to receive the actuarial equivalent of the
49 member's retirement allowance in reduced monthly payments for life during retirement with the
50 provision that:

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

57 OR

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

64 OR

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

71 OR

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

78 twenty monthly payments shall be paid to the estate of the last person to receive a monthly
79 allowance;

80 OR

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

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

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

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

111 4. If the total of the retirement allowance paid to an individual before the death of the
112 individual is less than the accumulated contributions at the time of retirement, the difference
113 shall be paid to the beneficiary of the individual, or to the estate of the individual, if there be no

114 beneficiary. If an optional benefit as provided in option 2, 3 or 4 in subsection 3 of this section
115 had been elected, and the beneficiary dies after receiving the optional benefit, and if the total
116 retirement allowance paid to the retired individual and the beneficiary of the retired individual
117 is less than the total of the contributions, the difference shall be paid to the estate of the
118 beneficiary unless the retired individual designates a different recipient with the board at or after
119 retirement.

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

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

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

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

148 9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, from
149 October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be

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

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

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

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

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

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

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

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

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

11. Any retired member of the system who was retired prior to September 1, 1972, or beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement allowance of the member of two percent for each year, or major fraction of more than one-half of a year, which the retired member has been retired prior to July 1, 1975. This increased amount shall be payable commencing with January, 1976, and shall thereafter be referred to as the member's retirement allowance. The increase provided for in this subsection shall not affect the

186 retired member's eligibility for compensation provided for in section 169.580 or 169.585, nor
187 shall the amount being paid pursuant to these sections be reduced because of any increases
188 provided for in this section.

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

209 13. The board of trustees may reduce the amounts which have been granted as increases
210 to a member pursuant to subsection 12 of this section if the cost of living, as determined by the
211 board and as measured by generally accepted standards, is less than the cost of living was at the
212 time of the first increase granted to the member; except that, the reductions shall not exceed the
213 amount of increases which have been made to the member's allowance after December 31, 1976.

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

217 15. Notwithstanding any other provision of law, any person retired prior to September
218 28, 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of
219 subsection 3 of this section, as such option existed prior to September 28, 1983, and whose
220 beneficiary nominated to receive continued retirement allowance payments under the elected
221 option dies or has died, shall upon application to the board of trustees have his or her retirement

allowance increased to the amount he or she would have been receiving had the option not been elected, actuarially adjusted to recognize any excessive benefits which would have been paid to him or her up to the time of application.

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

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

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

18. Notwithstanding any other provisions of law to the contrary, any person retired prior to May 26, 1994, and any designated beneficiary of such a retired member who was deceased prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement or aging and upon request shall give

258 written or oral opinions to the board in response to such requests. Beginning September 1, 1996,
259 as compensation for such service, the member shall have added, pursuant to this subsection, to
260 the member's monthly annuity as provided by this section a dollar amount equal to the lesser of
261 sixty dollars or the product of two dollars multiplied by the member's number of years of
262 creditable service. Beginning September 1, 1999, the designated beneficiary of the deceased
263 member shall as compensation for such service have added, pursuant to this subsection, to the
264 monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars
265 or the product of two dollars multiplied by the member's number of years of creditable service.
266 The total compensation provided by this section including the compensation provided by this
267 subsection shall be used in calculating any future cost-of-living adjustments provided by
268 subsection 12 of this section.

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

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

282 21. Any member who has retired prior to July 1, 1999, and the designated beneficiary
283 of a retired member who was deceased prior to July 1, 1999, shall be made, constituted,
284 appointed and employed by the board as a special consultant on the matters of education,
285 retirement and aging, and upon request shall give written or oral opinions to the board in
286 response to such requests. As compensation for such duties, the person shall have added,
287 pursuant to this subsection, to the monthly annuity as provided by this section a dollar amount
288 equal to five dollars times the member's number of years of creditable service.

289 22. Any member who has retired prior to July 1, 2000, and the designated beneficiary
290 of a deceased retired member shall be made, constituted, appointed and employed by the board
291 as a special consultant on the matters of education, retirement and aging, and upon request shall
292 give written or oral opinions to the board in response to such requests. As compensation for such
293 duties, the person shall receive a payment equivalent to three and five-tenths percent of the

294 previous month's benefit, which shall be added to the member or beneficiary's monthly annuity
295 and which shall not be subject to the provisions of subsections 12 and 13 of this section for the
296 purposes of the limit on the total amount of increases which may be received.

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

169.331. 1. Notwithstanding any other provision of sections 169.270 to 169.400 and
2 the contrary, a retired certificated teacher receiving a retirement benefit from the
3 retirement system established pursuant to sections 169.270 to 169.400 may, without losing
4 his or her retirement benefit, teach full-time for up to two years for a school district
5 covered by such retirement system; provided that the school district has a shortage of
6 certified teachers, as determined by the school district. The total number of such retired
7 certificated teachers shall not exceed, at any one time, fifteen certificated teachers.

8 2. The employer's contribution rate shall be paid by the hiring school district and
9 the employee's contribution rate shall be paid by the employee.

10 3. Any additional actuarial costs resulting from the hiring of a retired certificated
11 teacher pursuant to the provisions of this section shall be paid by the hiring school district.

12 4. In order to hire teachers pursuant to the provisions of this section, the school
13 district shall:

14 (1) Show a good faith effort to fill positions with nonretired certificated teachers;

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

16 (3) Have not offered early retirement incentives for either of the previous two
17 years;

18 (4) Solicit applications through the local newspaper, other media, or teacher
19 education programs;

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

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

23 **5. Any person hired pursuant to this section shall be included in the State Director**
24 **of New Hires for purposes of income and eligibility verification pursuant to 42 U.S.C.**
25 **Section 1320b-7.**

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 Missouri public school retirement system established by**
27 **sections 169.010 to 169.141, 169.270 to 169.400, 169.410 to 169.540, or 169.600 to 169.715**
28 **who has previous credit in one of the other Missouri public school retirement systems may elect**
29 **to purchase equivalent credit[, not to exceed ten years,] in the member's present system provided**
30 **such credit toward retirement is withdrawn and benefits terminated in the previous system. [A**

31 member of the system established by sections 169.600 to 169.715 who has previous credit in one
32 of the Missouri public school retirement systems established by sections 169.270 to 169.400 or,
33 169.410 to 169.540 may elect to purchase equivalent credit, not to exceed ten years, in the
34 member's present system provided such credit toward retirement is withdrawn and benefits
35 terminated in the previous system.] The purchase shall be effected by the member paying to the
36 retirement system the amount required by the rules and regulations established by the respective
37 retirement system, or absent such rules and regulations, an amount, with interest, based on the
38 annual salary rate of the member's initial employment in a district under the system in which
39 credit is being purchased and the contribution rate in effect in that system at the date of election
40 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 pursuant to the provisions of this section shall be [made before
45 retirement and over a period of time] **completed prior to termination of membership with the**
46 **retirement system**, with interest on the unpaid balance, [not to exceed the number of years of
47 credit being purchased,] in accordance with rules and regulations **and statutes** established by the
48 respective retirement systems. The individual purchasing credit must have service credit as a
49 member of the retirement system for at least as many years before retirement as the number of
50 years of credit being purchased.

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

17 is electing to purchase credit, and had the member's compensation during such period been the
18 same as the annual salary rate at which the member is receiving at the time of application, and
19 the contribution rate in effect on the date of election to purchase credit. The payment [may be
20 made over a period not longer than the period of membership service credit being purchased,
21 measured from the date of election, and] **shall be completed prior to termination of**
22 **membership with the retirement system** with interest on the unpaid balance. Nothing in this
23 section shall be construed to allow a member to vest in the retirement system by using the
24 creditable service purchased pursuant to the provisions of this section to reach the time of
25 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

28 from the date [of retirement to qualify for the coverage provided] **last employed by a school**
29 **district that is subject to coverage pursuant to this section to qualify for the coverage**
30 **provided.**

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

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

169.596. 1. Notwithstanding any other provision of this chapter to the contrary,
2 **a retired certificated teacher receiving a retirement benefit from the retirement system**
3 **established pursuant to sections 169.010 to 169.141 may, without losing his or her**
4 **retirement benefit, teach full-time for up to two years for a school district covered by such**
5 **retirement system; provided that the school district has a shortage of certified teachers, as**
6 **determined by the school district. The total number of such retired certificated teachers**
7 **shall not exceed, at any one time, the lesser of ten percent of the total teacher staff for that**
8 **school district, or five certificated teachers.**

9 2. Notwithstanding any other provision of this chapter to the contrary, a person
10 receiving a retirement benefit from the retirement system established pursuant to sections
11 169.600 to 169.715 may, without losing his or her retirement benefit, be employed full-time
12 for up to two years for a school district covered by such retirement system; provided that
13 the school district has a shortage of noncertificated employees, as determined by the school
14 district. The total number of such retired noncertificated employees shall not exceed, at
15 any one time, the lesser of ten percent of the total noncertificated staff for that school
16 district, or five employees.

17 3. The employer's contribution rate shall be paid by the hiring school district.

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

20 (1) Show a good faith effort to fill positions with nonretired certificated teachers
21 or nonretired noncertificated employees;

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

23 (3) Have not offered early retirement incentives for either of the previous two
24 years;

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

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

29 **(6) Declare a critical shortage of certificated teachers or noncertificated employees**
30 **that is active for one year.**

31 **5. Any person hired pursuant to this section shall be included in the State Director**
32 **of New Hires for purposes of income and eligibility verification pursuant to 42 U.S.C.**
33 **Section 1320b-7.**

169.620. 1. The funds required for the operation of the retirement system created by
2 sections 169.600 to 169.715 shall come from contributions made in equal amounts by employees
3 as herein defined and their employers, beginning November 1, 1965, and from such interest or
4 income as may be derived from the investment of funds of the system. All contributions shall
5 be transmitted to the board of trustees by employers in such manner and at such times as the
6 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 remittance 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. Each day such person or persons shall so fail or refuse to transmit
20 such contributions shall be deemed a separate offense. The board of trustees may request the
21 employer to provide the information necessary to administer the system and to advise each
22 member of such member's status.

23 3. The contributions of members of the retirement system shall be collected by their
24 employers through appropriate deductions from paychecks. The total amount deducted from the
25 paychecks of members during any school year shall equal such a percent of their salary rates as
26 may be required by the contribution rate then in effect. For contribution purposes any annual
27 salary rate less than one thousand two hundred dollars shall be regarded as one thousand two

28 hundred dollars. Contributions transmitted to the retirement system before February 20, 1996,
29 based on salary rates which either included or excluded employer-paid medical benefits for
30 members, shall be deemed to have been in compliance with this section. The retirement system
31 shall not refund or adjust contributions or adjust benefit determinations with respect to any
32 period before February 20, 1996, solely because of the treatment of employer-paid medical
33 benefits for members. Effective December 31, 1995, compensation in excess of the limitations
34 set forth in Section 401(a)(17) of Title 26 of the United States Code shall be disregarded for
35 purposes of determining contributions pursuant to this section and calculating benefits paid by
36 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 university,
88 either inside or outside of this state, for at least twenty or more hours per week **on a regular**
89 **basis**, may elect to purchase membership service credit for **such** service rendered [to the private
90 school, but not to exceed three years. As used in this subsection, the term "private school" means
91 a school which is not a part of the public school system of this state and which charges tuition
92 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

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

OR

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

OR

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

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

(a) If the member or a person retired on disability retirement dies after attaining age fifty-five and acquiring five or more years of creditable service or after acquiring twenty-five or more years of creditable service and before retirement, except retirement with disability benefits, and the person named by the member as the member's primary beneficiary has an insurable interest in the life of the deceased member, the designated beneficiary may elect to receive either survivorship payments under option 2 or a payment of the member's accumulated contributions. If survivorship benefits under option 2 are elected and the member at the time of death would have been eligible to receive an actuarial equivalent of the member's retirement allowance, the 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.**

169.712. 1. Notwithstanding any provision of law to the contrary, any person duly
2 certificated under the law governing the certification of teachers in **Missouri** who, after August
3 28, 1997, is first employed in a position which would otherwise qualify the person for
4 membership in the nonteacher school employee retirement system pursuant to the provisions of
5 sections 169.600 to 169.710 shall be a member of the public school retirement system pursuant
6 to the provisions of sections 169.010 to 169.141, and shall receive creditable service on a pro rata
7 basis in that system for subsequent certificated services which would otherwise have been
8 creditable in the nonteacher school employee retirement system. Any such person shall have the
9 option of being a member of the nonteacher school employee retirement system. The option
10 election must be filed with the board of trustees of the public school retirement system within
11 ninety days of first such employment following August 28, 1997.

12 **2. Notwithstanding any provision of law to the contrary, any person duly**
13 **certificated under the law governing the certification of teachers in Missouri who, on or**
14 **after August 28, 2003, is employed by a public school, as defined in section 169.010, for at**
15 **least seventeen but less than twenty hours per week on a regular basis shall be a member**
16 **of the public school retirement system pursuant to the provisions of sections 169.010 to**
17 **169.141, and shall receive creditable service on a pro rata basis in that system. Any such**
18 **person shall have the option of being a member of the nonteacher school employee**
19 **retirement system. The option election must be filed with the board of trustees of the**
20 **public school retirement system within ninety days of first such employment or within**
21 **ninety days of August 28, 2003, whichever later occurs.**

22 **3. Any person who is a member of the public school retirement system or the**
23 **nonteacher school employee retirement system pursuant to subsection 2 of this section may**
24 **purchase credit in such system for service after August 28, 1991, that would have qualified**
25 **such person for membership in either retirement system pursuant to subsection 2 of this**
26 **section had such subsection been in effect prior to August 28, 2003; provided that such**
27 **purchase of credit in the public school retirement system shall be subject to the provisions**
28 **of section 169.056 and such purchase of credit in the nonteacher school employee**
29 **retirement system shall be subject to the provisions of section 169.655.**

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