

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILLS NOS. 346 & 174**  
**92ND GENERAL ASSEMBLY**

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Reported from the Committee on Education, April 28, 2003, with recommendation that the Senate Committee Substitute do pass.

1195S.08C

TERRY L. SPIELER, Secretary.

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**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.

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*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169.050, 169.056, 169.070, 169.570, 169.577, 169.590, 2 169.620, 169.650, 169.655, 169.670, and 169.712, RSMo, are repealed and seventeen new 3 sections enacted in lieu thereof, to be known as sections 168.303, 169.030, 169.050, 4 169.056, 169.070, 169.073, 169.331, 169.570, 169.577, 169.590, 169.596, 169.620, 169.650, 5 169.655, 169.670, 169.673, and 169.712, to read as follows:

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

7       **(1) Shared with one other employee;**

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

10       **(3) Requiring at least seventy percent of all time spent in classroom**  
11 **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.**

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

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

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

24 3. The contributions of members of the retirement system shall be collected by  
25 their employers through appropriate deductions from paychecks, except as provided for  
26 certain members and employers by section 104.342, RSMo. The total amount deducted  
27 from the paychecks of members during any school year shall equal such a percent of  
28 their salary rates as may be required by the contribution rate then in  
29 effect. Contributions transmitted to the retirement system before February 20, 1996,  
30 based on salary rates which either included or excluded employer-paid medical benefits  
31 for members, shall be deemed to have been in compliance with this section. The  
32 retirement system shall not refund or adjust contributions or adjust benefit

33 determinations with respect to any period before February 20, 1996, solely because of the  
34 treatment of employer-paid medical benefits for members. Effective December 31, 1995,  
35 compensation in excess of the limitations set forth in section 401(a)(17) of title 26 of the  
36 United States Code shall be disregarded for purposes of determining contributions under  
37 this section and calculating benefits paid by the public school retirement system of  
38 Missouri. The limitation on compensation for eligible employees shall not be less than  
39 the amount which was allowed to be taken into account under the system as in effect on  
40 July 1, 1993. For this purpose, an "eligible employee" is an individual who was a  
41 member of the system before July 1, 1996.

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

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

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

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

69 **period that shall not exceed thirty years from the date of the valuation,**  
70 **subject to the limitations of this subsection; and**

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

75 5. Regardless of the provisions of any law governing compensation and contracts,  
76 every teacher or employee shall be deemed to consent and agree to the deductions  
77 provided herein. Payment of salary or compensation less such deduction shall be a full  
78 and complete discharge of all salary or compensation claims and demands during the  
79 period covered by such payment, except as to the benefits provided under sections  
80 169.010 to 169.141.

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

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

8 2. Any person who becomes a member before the end of the school year next  
9 following the date on which the system becomes operative may claim credit for service  
10 rendered as an employee in Missouri prior to such operative date, or for service rendered  
11 in the armed forces of the United States during a period of war, the same as if the  
12 person were a teacher, provided the person was a teacher in Missouri at the time the  
13 person was inducted, by filing with the board of trustees, within such time as the board  
14 may specify, a complete and detailed record of the service for which credit is claimed,

15 together with such supporting evidence as the board may require for verification of the  
16 record. To the extent that the board finds the record correct, it shall credit the claimant  
17 with prior service and shall notify the claimant of its decision, but the amount of such  
18 credit shall not exceed thirty years.

19         3. No prior service credit shall be granted to any person who becomes a member  
20 after the first year of the system's operation, except as provided in subsection 5 of this  
21 section unless that person's failure to become a member before or during that year was  
22 due either to service in the armed forces of the United States or to attendance at a  
23 recognized educational institution for professional improvement; provided, that the  
24 board of trustees may grant prior service credit to a teacher who taught prior to August  
25 1, 1945, if the teacher returns to teaching before July 1, 1950, and if such teacher  
26 teaches in the public schools of Missouri not less than seven years after returning before  
27 retirement, or the board of trustees may grant prior service credit to a teacher who  
28 taught prior to August 1, 1945, if the teacher returns to teaching and teaches at least  
29 one-half of the number of years between July 1, 1946, and age sixty but not less than  
30 seven years after returning before retirement, except that a member who will have  
31 thirty-five or more years of teaching service in Missouri at retirement shall be required  
32 to teach not less than three years after returning and before retirement. A person  
33 serving in the armed forces of the United States shall have the same right to prior  
34 service credit as one who became a member before the end of the first year of the  
35 system's operation, if the person becomes a member within one year of the date of the  
36 person's discharge from such service or within one year of such date plus time spent as  
37 a student in a standard college or university in further preparation for service as a  
38 public school employee. A person attending a recognized educational institution for the  
39 person's professional improvement shall have the same right to prior service credit as  
40 one who became a member before the end of the first year of the system's operation, if  
41 the person becomes a member within three years following the date on which the system  
42 became operative, and within one year of the date on which the person's attendance at  
43 such institution ceased.

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

47         5. If a member withdraws or is refunded the member's contributions, the member  
48 shall thereby forfeit any creditable service the member may have; provided, however, if  
49 such person again becomes a member of the system, the person may elect to reinstate  
50 the creditable service forfeited at times of previous withdrawals or refunds. The

51 reinstatement shall be effected by the [member's] **member** paying to the retirement  
52 system with interest the total amount of accumulated contributions withdrawn by the  
53 member or refunded to the member with respect to the service being reinstated. A  
54 member may reinstate less than the total service previously forfeited, in accordance with  
55 rules promulgated by the board of trustees. The payment [may be made over a period  
56 not longer than five years or the length of service to be reinstated whichever is longer,  
57 beginning from the date of election, or prior to retirement, whichever is earlier, and]  
58 **shall be completed prior to termination of membership with the retirement**  
59 **system** with interest on the unpaid balance; provided, however, that if a member is  
60 retired on disability before completing such payments, the balance due with interest may  
61 be deducted from the member's disability retirement allowance.

62         [6. Any person who elected to purchase creditable service pursuant to section  
63 169.055, 169.056 or 169.057 and failed to complete payment within the time allowed  
64 may again elect to purchase creditable service pursuant to those provisions, if the  
65 election is made before July 1, 1998. The election may include a purchase of creditable  
66 service for the same period for which the earlier election was made.

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

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

169.056. 1. Members who have accrued at least one year of membership service  
2 credit for employment in a position covered by this **retirement system and who have**  
3 **covered employment with this retirement system following the service for**  
4 **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  
6 purchase authorized by this section the following provisions apply:

7         (1) The purchase shall be effected by the member paying to the retirement system  
8 [with interest,] the amount the member would have contributed and the amount the  
9 employer would have contributed had such member been an employee for the number of  
10 years for which the member is electing to purchase credit, and had the member's  
11 compensation during such period been the [same as the annual salary rate at which the

12 member is first employed in a position qualifying for membership in the retirement  
13 system after the period being purchased, provided that the purchase cost shall not  
14 exceed the actuarial value of the credit being purchased] **highest annual salary rate**  
15 **on record with the retirement system on the date of election to purchase**  
16 **credit.** For purposes of this section, "annual salary rate" means the annual salary rate  
17 for full-time service for the position of employment. The contribution rate used in  
18 determining the amount to be paid shall be the contribution rate in effect on the date of  
19 election to purchase credit[. The interest rate used in determining the amount to be  
20 paid shall be the actuarially assumed rate of return on invested funds of the system in  
21 effect at the date of election to purchase credit];

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

25 (3)] Membership service credit purchased pursuant to this section shall be  
26 deemed to be membership service in Missouri for purposes of subsection 7 of section  
27 169.070;

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

32 [(5)] (4) Members may purchase membership service credit in increments of  
33 one-tenth of a year, and multiple elections to purchase may be made;

34 [(6)] (5) Additional terms and conditions applicable to purchase made pursuant  
35 to this section including, but not limited to, minimum payments, payment schedules and  
36 provisions applicable when a member fails to complete payment may be set by rules of  
37 the board.

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

43 3. A member who [has rendered service] **was employed** for at least twenty  
44 hours per week [as a teacher outside of this state including service in] **on a regular**  
45 **basis by a public school district, public junior college, public community**  
46 **college, public college, or public** university [or who has rendered service in the  
47 University of Missouri or Lincoln University after July 1, 1946], **either inside or**

48 **outside of this state**, may elect [prior to retirement] to purchase equivalent  
49 membership service credit [but not in excess of ten years. An affidavit shall be required  
50 stipulating that the member is not presently receiving compensation from another  
51 teacher retirement system and will not receive credit in another system for the creditable  
52 time purchased].

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

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

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

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

81 7. Any member who had membership service credit with the nonteacher school  
82 employee retirement system of Missouri governed by sections 169.600 to 169.715 but  
83 which membership service credit was forfeited by withdrawal or refund, may elect[, prior



84 to retirement,] to purchase credit for such service [and receive pro rata credit not to  
85 exceed a total of ten years in this system for the service]. The nonteacher school  
86 employee retirement system of Missouri shall transfer to this system an amount equal  
87 to the employer contributions for the forfeited service being purchased, plus interest,  
88 which shall be applied to reduce the amount the member would otherwise pay for the  
89 purchase, provided that the amount transferred shall not exceed one-half of the purchase  
90 cost.

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

98 9. A member [having membership service credit in the retirement system  
99 provided by sections 169.010 to 169.141, after the member] **who** was employed by a  
100 private school, **private junior college, private community college, private**  
101 **college, or private university, either inside or outside of this state**, for at least  
102 twenty hours per week [and duly certified under the law governing the certification of  
103 teachers during all of such employment] **on a regular basis**, may elect to purchase  
104 **equivalent** membership service credit for **such** service rendered [to the private school,  
105 but not to exceed three years. As used in this subsection, the term "private school"  
106 means a school which is not a part of the public school system of this state and which  
107 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  
2 sixty years or more and whose creditable service is five years or more, or whose sum of  
3 age and creditable service equals eighty years or more, or who has attained age fifty-five  
4 and whose creditable service is twenty-five years or more or whose creditable service is  
5 thirty years or more regardless of age, may be the sum of the following items, not to  
6 exceed one hundred percent of the member's final average salary:

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

9 (2) Six-tenths of the amount payable for a year of membership service for each  
10 year of 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  
14 of the member's final average salary for each year of membership service, if the  
15 member's creditable service is twenty-nine years or more but less than thirty years, and  
16 the member has not attained age fifty-five;

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

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

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

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

33 (8) Between July 1, 2001, and June 30, 2008, two and fifty-five hundredths  
34 percent of the member's final average salary for each year of membership service, if the  
35 member's creditable 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  
37 member whose age is sixty years or more on September 28, 1975, may elect to have the  
38 member's 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  
40 salary for each year of membership service;

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

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

46 3. (1) In lieu of the retirement allowance provided either in subsection 1 or 2 of  
47 this section, collectively called "option 1", a member whose creditable service is  
48 twenty-five years or more or who has attained the age of fifty-five with five or more years

49 of creditable service may elect in the member's application for retirement to receive the  
50 actuarial equivalent of the member's retirement allowance in reduced monthly payments  
51 for life during retirement with the provision that:

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

58 OR

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

65 OR

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

72 OR

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

81 OR

82 Option 6. Upon the death of the member prior to the member having received  
83 sixty monthly payments of the member's reduced allowance, the remainder of the sixty  
84 monthly payments of the reduced allowance shall be paid to such beneficiary as the

85 member shall have nominated in the member's election of the option or in a subsequent  
86 nomination. If there is no beneficiary so nominated who survives the member for the  
87 remainder of the sixty monthly payments, the reserve of the remainder of such sixty  
88 monthly payments shall be paid to the estate of the last person to receive a monthly  
89 allowance.

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

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

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

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

121 receiving the optional benefit, and if the total retirement allowance paid to the retired  
122 individual and the beneficiary of the retired individual is less than the total of the  
123 contributions, the difference shall be paid to the estate of the beneficiary unless the  
124 retired individual designates a different recipient with the board at or after retirement.

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

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

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

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

155         9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary,  
156 from October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141

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

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

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

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

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

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

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

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

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

191 11. Any retired member of the system who was retired prior to September 1,  
192 1972, or beneficiary receiving payments under option 1 or option 2 of subsection 3 of this

193 section, as such option existed prior to September 1, 1972, will be eligible to receive an  
194 increase in the retirement allowance of the member of two percent for each year, or  
195 major fraction of more than one-half of a year, which the retired member has been  
196 retired prior to July 1, 1975. This increased amount shall be payable commencing with  
197 January, 1976, and shall thereafter be referred to as the member's retirement  
198 allowance. The increase provided for in this subsection shall not affect the retired  
199 member's eligibility for compensation provided for in section 169.580 or 169.585, nor  
200 shall the amount being paid pursuant to these sections be reduced because of any  
201 increases provided for in this section.

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

224         13. The board of trustees may reduce the amounts which have been granted as  
225 increases to a member pursuant to subsection 12 of this section if the cost of living, as  
226 determined by the board and as measured by generally accepted standards, is less than  
227 the cost of living was at the time of the first increase granted to the member; except that,  
228 the reductions shall not exceed the amount of increases which have been made to the

229 member's allowance after December 31, 1976.

230           14. Any application for retirement shall include a sworn statement by the  
231 member certifying that the spouse of the member at the time the application was  
232 completed was aware of the application and the plan of retirement elected in the  
233 application.

234           15. Notwithstanding any other provision of law, any person retired prior to  
235 September 28, 1983, who is receiving a reduced retirement allowance under option 1 or  
236 option 2 of subsection 3 of this section, as such option existed prior to September 28,  
237 1983, and whose beneficiary nominated to receive continued retirement allowance  
238 payments under the elected option dies or has died, shall upon application to the board  
239 of trustees have his or her retirement allowance increased to the amount he or she would  
240 have been receiving had the option not been elected, actuarially adjusted to recognize  
241 any excessive benefits which would have been paid to him or her up to the time of  
242 application.

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

251           17. Notwithstanding any other provision of law to the contrary, any person  
252 retired before, on, or after May 26, 1994, shall be made, constituted, appointed and  
253 employed by the board as a special consultant on the matters of education, retirement  
254 and aging, and upon request shall give written or oral opinions to the board in response  
255 to such requests. As compensation for such duties the person shall receive an amount  
256 based on the person's years of service so that the total amount received pursuant to  
257 sections 169.010 to 169.141 shall be at least the minimum amounts specified in  
258 subdivisions (1) to (4) of this subsection. In determining the minimum amount to be  
259 received, the amounts in subdivisions (3) and (4) of this subsection shall be adjusted in  
260 accordance with the actuarial adjustment, if any, that was applied to the person's  
261 retirement allowance. In determining the minimum amount to be received, beginning  
262 September 1, 1996, the amounts in subdivisions (1) and (2) of this subsection shall be  
263 adjusted in accordance with the actuarial adjustment, if any, that was applied to the  
264 person's retirement allowance due to election of an optional form of retirement having



265 a continued monthly payment after the person's death. Notwithstanding any other  
266 provision of law to the contrary, no person retired before, on, or after May 26, 1994, and  
267 no beneficiary of such a person, shall receive a retirement benefit pursuant to sections  
268 169.010 to 169.141 based on the person's years of service less than the following  
269 amounts:

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

274 18. Notwithstanding any other provisions of law to the contrary, any person  
275 retired prior to May 26, 1994, and any designated beneficiary of such a retired member  
276 who was deceased prior to July 1, 1999, shall be made, constituted, appointed and  
277 employed by the board as a special consultant on the matters of education, retirement  
278 or aging and upon request shall give written or oral opinions to the board in response  
279 to such requests. Beginning September 1, 1996, as compensation for such service, the  
280 member shall have added, pursuant to this subsection, to the member's monthly annuity  
281 as provided by this section a dollar amount equal to the lesser of sixty dollars or the  
282 product of two dollars multiplied by the member's number of years of creditable  
283 service. Beginning September 1, 1999, the designated beneficiary of the deceased  
284 member shall as compensation for such service have added, pursuant to this subsection,  
285 to the monthly annuity as provided by this section a dollar amount equal to the lesser  
286 of sixty dollars or the product of two dollars multiplied by the member's number of years  
287 of creditable service. The total compensation provided by this section including the  
288 compensation provided by this subsection shall be used in calculating any future  
289 cost-of-living adjustments provided by subsection 12 of this section.

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

299 20. Any member who has retired shall be made, constituted, appointed and  
300 employed by the board as a special consultant on the matters of education, retirement

301 and aging, and upon request shall give written or oral opinions to the board in response  
302 to such request. As compensation for such duties, the person shall receive as a part of  
303 compensation for these duties a death benefit of five thousand dollars.

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

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

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

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

8 **the application for retirement.**

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

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

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

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

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

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

43 **5. Benefits paid pursuant to this section, in addition to all other**  
44 **provisions of the public school retirement system of Missouri, shall not exceed**

45 **the limitations of Section 415 of Title 26 of the United States Code except as**  
46 **provided in subsection 16 of section 169.070.**

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

10 2. **The employer's contribution rate shall be paid by the hiring school**  
11 **district and the employee's contribution rate shall be paid by the employee.**

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

15 4. **In order to hire teachers pursuant to the provisions of this section,**  
16 **the school district shall:**

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

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

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

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

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

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

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

169.570. 1. [An employee having five or more years of membership service under  
2 one of the Missouri retirement systems as provided by sections 169.010 to 169.141,  
3 169.270 to 169.400 or 169.410 to 169.540, who is subsequently employed in a position  
4 covered by another of the Missouri retirement systems, may leave the employee's  
5 contributions with the system under which the employee was first employed and be

6 eligible to receive a benefit based upon the employee's services under that system when  
7 the employee becomes eligible for a service retirement benefit from another of such  
8 Missouri retirement systems or upon having reached retirement age having previously  
9 retired on disability. In the event the member does not become eligible for a retirement  
10 benefit, the employee shall be entitled to a refund of the employee's contributions with  
11 interest upon demand, or to such other benefits as may be provided by law.

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

29       [3.] **2.** A member of any Missouri public school retirement system **established**  
30 **by sections 169.010 to 169.141, 169.270 to 169.400, 169.410 to 169.540, or 169.600**  
31 **to 169.715** who has previous credit in one of the other Missouri public school retirement  
32 systems may elect to purchase equivalent credit[, not to exceed ten years,] in the  
33 member's present system provided such credit toward retirement is withdrawn and  
34 benefits terminated in the previous system. [A member of the system established by  
35 sections 169.600 to 169.715 who has previous credit in one of the Missouri public school  
36 retirement systems established by sections 169.270 to 169.400 or, 169.410 to 169.540  
37 may elect to purchase equivalent credit, not to exceed ten years, in the member's present  
38 system provided such credit toward retirement is withdrawn and benefits terminated in  
39 the previous system.] The purchase shall be effected by the member paying to the  
40 retirement system the amount required by the rules and regulations established by the  
41 respective retirement system, or absent such rules and regulations, an amount, with

42 interest, based on the annual salary rate of the member's initial employment in a district  
43 under the system in which credit is being purchased and the contribution rate in effect  
44 in that system at the date of election to purchase credit.

45 [4.] 3. Nothing in this section shall decrease or discontinue the benefits provided  
46 by the sections of the statutes relating to any of the public school retirement systems in  
47 the state of Missouri.

48 [5.] 4. Payment pursuant to the provisions of this section shall be [made before  
49 retirement and over a period of time] **completed prior to termination of**  
50 **membership with the retirement system**, with interest on the unpaid balance, [not  
51 to exceed the number of years of credit being purchased,] in accordance with rules and  
52 regulations **and statutes** established by the respective retirement systems. The  
53 individual purchasing credit must have service credit as a member of the retirement  
54 system for at least as many years before retirement as the number of years of credit  
55 being purchased.

169.577. Any member of a retirement system subject to the provisions of this  
2 chapter, who is within five years of being eligible to retire with a retirement allowance  
3 as provided in this chapter, may elect to purchase additional creditable service of up to  
4 [four-tenths] **five-tenths** of a year which shall, when so purchased, be included in the  
5 total of the member's years of creditable service, used to enable the member to achieve  
6 the minimum creditable service time required for a retirement allowance, and applied  
7 in the computation of the member's annual service retirement allowance. **For any**  
8 **member of a retirement system established by sections 169.010 to 169.141 or**  
9 **169.600 to 169.715, and notwithstanding any other provision within this**  
10 **section to the contrary, the purchase shall be effected in the same manner as**  
11 **provided in section 169.056.** The request for purchase of the additional creditable  
12 service shall be made in writing to the board of trustees of the system in which the  
13 applicant is a member. The purchase shall be effected by the member paying to the  
14 retirement system the amount required by the rules and regulations established by the  
15 respective retirement system, or absent such rules and regulations, the amount, with  
16 interest, the member would have contributed thereto and the amount the member's  
17 employer would have contributed thereto had the person been employed in a position  
18 covered by the retirement system for the number of months for which the member is  
19 electing to purchase credit, and had the member's compensation during such period been  
20 the same as the annual salary rate at which the member is receiving at the time of  
21 application, and the contribution rate in effect on the date of election to purchase  
22 credit. The payment [may be made over a period not longer than the period of

23 membership service credit being purchased, measured from the date of election, and]  
24 **shall be completed prior to termination of membership with the retirement**  
25 **system** with interest on the unpaid balance. Nothing in this section shall be construed  
26 to allow a member to vest in the retirement system by using the creditable service  
27 purchased pursuant to the provisions of this section to reach the time of vesting.

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

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

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

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

15 2. The plan or contract may provide a different level of coverage for any person  
16 electing to remain or become a member of an eligible group, including a noninsurance  
17 health benefit program, as provided in subsection 1 of this section if such person is  
18 eligible for Medicare under the federal Health Insurance for the Aged Act, 42 U.S.C.  
19 1395, as amended.

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

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

32 **to coverage pursuant to this section to qualify for the coverage provided.**

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

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

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

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

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

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

23 **(1) Show a good faith effort to fill positions with nonretired  
24 certificated teachers or nonretired noncertificated employees;**

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

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

28 **(4) Solicit applications through the local newspaper, other media, or**



29 **teacher education programs;**

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

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

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

169.620. 1. The funds required for the operation of the retirement system  
2 created by sections 169.600 to 169.715 shall come from contributions made in equal  
3 amounts by employees as herein defined and their employers, beginning November 1,  
4 1965, and from such interest or income as may be derived from the investment of funds  
5 of the system. All contributions shall be transmitted to the board of trustees by  
6 employers in such manner and at such times as the board by rule shall require.

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

25 3. The contributions of members of the retirement system shall be collected by  
26 their employers through appropriate deductions from paychecks. The total amount  
27 deducted from the paychecks of members during any school year shall equal such a  
28 percent of their salary rates as may be required by the contribution rate then in

29 effect. For contribution purposes any annual salary rate less than one thousand two  
30 hundred dollars shall be regarded as one thousand two hundred dollars. Contributions  
31 transmitted to the retirement system before February 20, 1996, based on salary rates  
32 which either included or excluded employer-paid medical benefits for members, shall be  
33 deemed to have been in compliance with this section. The retirement system shall not  
34 refund or adjust contributions or adjust benefit determinations with respect to any  
35 period before February 20, 1996, solely because of the treatment of employer-paid  
36 medical benefits for members. Effective December 31, 1995, compensation in excess of  
37 the limitations set forth in Section 401(a)(17) of Title 26 of the United States Code shall  
38 be disregarded for purposes of determining contributions pursuant to this section and  
39 calculating benefits paid by the nonteacher school employee retirement system of  
40 Missouri. The limitation on compensation for eligible employees shall not be less than  
41 the amount which was allowed to be taken into account under the system as in effect on  
42 July 1, 1993. For the purpose of this subsection, an "eligible employee" is an individual  
43 who was a member of the system before July 1, 1996.

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

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

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

58 **(3) The board shall fix and certify to the employers the rate of**  
59 **contribution for a fiscal year based on an actuarial valuation of the system**  
60 **as of a date not earlier than the last day of the second prior fiscal year. Such**  
61 **actuarial valuation of the system shall be performed using processes and**  
62 **actuarial assumptions that are in accordance with actuarial standards of**  
63 **practice in effect at the time the valuation is performed, as promulgated by**  
64 **the actuarial standards board or its successor; provided that such actuarial**

65 **valuation shall be based on the entry age normal actuarial cost method and**  
66 **an asset valuation method based on the market value of system assets that**  
67 **may provide for smoothing of investment gains and losses, and further, that**  
68 **the level rate of contribution shall be the total of the normal cost and a rate**  
69 **which shall amortize the unfunded actuarial accrued liability over a period**  
70 **that shall not exceed thirty years from the date of the valuation, subject to**  
71 **the limitations of this subsection; and**

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

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

82 6. A person serving as an employee as defined in section 169.600, who became  
83 a member after November 1, 1965, and before July 1, 1974, and who was regularly  
84 employed to serve for twenty or more hours per week at some time during the period  
85 November 1, 1965, to July 1, 1974, may receive membership service credit for such  
86 service by paying into the system the amount, with interest at such rate as may be set  
87 by the board within the limits set by law for interest rates, the person would have  
88 contributed had the person been eligible for membership.

89 7. [Any member who rendered service as an employee as defined in section  
90 169.600 for a junior college district at any time between October 31, 1965, and the  
91 effective date of an agreement between the junior college and the board of trustees as  
92 provided in section 169.600 may elect to purchase membership service credit for that  
93 service. The election shall include all service for which the member is eligible to  
94 purchase credit, and shall be made prior to retirement. The purchase shall be effected  
95 by the member's paying to the system with interest, and within the time period allowed  
96 by law for the election, the contributions which would have been deducted from the  
97 employee's salary had the employee been a member during the period or periods of such  
98 service, and had the contribution rate in effect at the date of election been in effect at  
99 the time the service was rendered. Other provisions of law to the contrary  
100 notwithstanding, no membership credit shall be allowed pursuant to the provisions of

101 this section which exceeds in length the member's creditable service for employment  
102 rendered after October 31, 1965.] **Notwithstanding any other provision of sections**  
103 **169.600 to 169.715 to the contrary, no legislation shall be enacted after July**  
104 **1, 2003, that increases benefits provided to members or retirees of the**  
105 **nonteacher school employee retirement system of Missouri above that which**  
106 **may be funded using a rate of contribution of five percent as determined**  
107 **using an actuarial valuation as provided in subsection 4 of this section;**  
108 **provided that, notwithstanding the provisions of this subsection, legislation**  
109 **may be enacted after July 1, 2003, that provides for an extension of time**  
110 **within which a member may make an election pursuant to subdivision (4) of**  
111 **subsection 1 of section 169.670.**

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

10 2. Any member who rendered service prior to November 1, 1965, as an employee  
11 as defined in section 169.600 in a district or junior college district included in the system  
12 may claim credit for that service by filing with the board of trustees a complete and  
13 detailed record of the service for which the credit is claimed, together with such  
14 supporting evidence as the board may require for verification of the record. To the  
15 extent that the board finds the record correct, it shall credit the claimant with prior  
16 service and shall notify the claimant of its decision.

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

20 4. If a member withdraws or is refunded the member's contributions, the member  
21 shall thereby forfeit any creditable service the member may have; provided, however, if  
22 such person again becomes a member of the system, the member may elect prior to  
23 retirement to reinstate any creditable service forfeited at the [time of withdrawal or  
24 refund] **times of previous withdrawals or refunds.** The reinstatement shall be  
25 effected by the member paying to the retirement system, with interest, the amount of

26 accumulated contributions withdrawn by the member or refunded to the member with  
27 respect to the service being reinstated. A member may reinstate less than the total  
28 service previously forfeited, in accordance with rules promulgated by the board of  
29 trustees. The payment [may be made over a period not to exceed the length of the  
30 service to be reinstated, beginning from the date of election, or prior to retirement,  
31 whichever is earlier, and] **shall be completed prior to termination of membership**  
32 **with the retirement system** with interest on the unpaid balance; provided, however,  
33 that if a member is retired on disability before completing such payments, the balance  
34 due, with interest, shall be deducted from the member's disability retirement allowance.

35 5. Any person who is an employee of any statewide nonprofit educational  
36 association or organization serving the active membership of the nonteacher school  
37 employee retirement system of Missouri and who works at least twenty hours per week  
38 on a regular basis in a position which is not covered by the public school retirement  
39 system of Missouri may be a member of the nonteacher school employee retirement  
40 system of Missouri. Certificated employees of such statewide nonprofit educational  
41 association or organization may not be members of the public school retirement system  
42 of Missouri unless such association or organization makes separate application pursuant  
43 to subsection 4 of section 169.130. The contributions required to be made by the  
44 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  
2 year of membership service credit for employment in a position covered by this [section]  
3 **retirement system and who have covered employment with this retirement**  
4 **system following the service for which credit is being purchased** may purchase  
5 membership service credit under the circumstances, terms and conditions provided in  
6 this section. With respect to each such purchase authorized by this section the following  
7 provisions apply:

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

18 rate in effect on the date of election to purchase credit[. The interest rate used in  
19 determining the amount to be paid shall be the actuarially assumed rate of return on  
20 invested funds of the system in effect at the date of election to purchase credit];

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

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

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

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

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

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

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

51 4. [(1)] A member who [enters the service of] **has served in** the armed forces  
52 of the United States of America **and** who [is an employee in a district included in the  
53 system at the time such member is inducted, enlisted or called to active duty, and who

54 without voluntary reenlistment becomes an employee in a district within one year after  
55 discharge from such service shall not be subject to the provisions of subsection 3 of  
56 section 169.650 with regard to termination of membership due to the period of actual  
57 service in the armed forces of the United States. Such a member may elect prior to  
58 retirement to purchase membership service credit for the entire period of service in the  
59 armed forces of the United States, but not to exceed five years. The purchase may be  
60 made only if the member] was discharged or separated from the armed forces by other  
61 than a dishonorable discharge[.

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

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

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

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

88 8. A member may elect to purchase membership service credit for service  
89 rendered while on leave from an employer, as defined in section 169.600, for a

90 not-for-profit corporation or agency whose primary purpose is support of education or  
91 education research[, not to exceed two years] if the member was employed by that  
92 organization to serve twenty or more hours per week[; provided the member has returned  
93 to service for at least one year as an employee of the employer that granted the leave]  
94 **on a regular basis.**

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

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

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

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

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

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

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

22 (b) One and fifty-seven hundredths percent of the member's final average salary



23 for each year of membership service, if the member's creditable service is twenty-eight  
24 years or more but less than twenty-nine years, and the member has not attained the age  
25 of fifty-five;

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

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

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

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

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

59 first.

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

66 4. (1) In lieu of the retirement allowance provided in subsection 1 of this section,  
67 called "option 1", a member whose creditable service is twenty-five years or more or who  
68 has attained age fifty-five with five or more years of creditable service may elect, in the  
69 application for retirement, to receive the actuarial equivalent of the member's retirement  
70 allowance in reduced monthly payments for life during retirement with the provision  
71 that:

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

78 OR

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

85 OR

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

92 OR

93 Option 5. Upon the death of the member prior to the member having received one  
94 hundred twenty monthly payments of the member's reduced allowance, the remainder

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

101 OR

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

110 OR

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

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

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

131 beneficiary may further elect to defer the option 2 payments until the date the member  
132 would have been eligible to receive the retirement allowance provided in subsection 1 of  
133 this section.

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

143 5. If the total of the retirement allowances paid to an individual before the  
144 person's death is less than the person's accumulated contributions at the time of the  
145 person's retirement, the difference shall be paid to the person's beneficiary or to the  
146 person's estate; provided, however, that if an optional benefit, as provided in option 2,  
147 3 or 4 in subsection 4, had been elected and the beneficiary dies after receiving the  
148 optional benefit, then, if the total retirement allowances paid to the retired individual  
149 and the individual's beneficiary are less than the total of the contributions, the difference  
150 shall be paid to the estate of the beneficiary unless the retired individual designates a  
151 different recipient with the board at or after retirement.

152 6. If a member dies before receiving a retirement allowance, the member's  
153 accumulated contributions at the time of the member's death shall be paid to the  
154 member's beneficiary or to the member's estate, if there be no beneficiary; provided,  
155 however, that no such payment shall be made if the beneficiary elects option 2 in  
156 subsection 4 of this section, unless the beneficiary dies before having received benefits  
157 pursuant to that subsection equal to the accumulated contributions of the member, in  
158 which case the amount of accumulated contributions in excess of the total benefits paid  
159 pursuant to that subsection shall be paid to the estate of the beneficiary.

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

164 8. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary,  
165 if a member ceases to be an employee as defined in section 169.600 after acquiring five  
166 or more years of creditable service, the member may, at the option of the member, leave

167 the member's contributions with the retirement system and claim a retirement allowance  
168 any time after the member reaches the minimum age for voluntary retirement. When  
169 the member's claim is presented to the board, the member shall be granted an allowance  
170 as provided in sections 169.600 to 169.715 on the basis of the member's age and years  
171 of service.

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

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

179 11. Any application for retirement shall include a sworn statement by the  
180 member certifying that the spouse of the member at the time the application was  
181 completed was aware of the application and the plan of retirement elected in the  
182 application.

183 12. Notwithstanding any other provision of law, any person retired prior to  
184 August 14, 1984, who is receiving a reduced retirement allowance under option 1 or 2  
185 of subsection 4 of this section, as the option existed prior to August 14, 1984, and whose  
186 beneficiary nominated to receive continued retirement allowance payments under the  
187 elected option dies or has died, shall upon application to the board of trustees have the  
188 person's retirement allowance increased to the amount the person would have been  
189 receiving had the person not elected the option, actuarially adjusted to recognize any  
190 excessive benefits which would have been paid to the person up to the time of the  
191 application.

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

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

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

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

**169.673. 1. Any member eligible for a retirement allowance pursuant  
2 to section 169.670 and who has not previously received a retirement  
3 allowance, including an allowance under disability retirement, pursuant to  
4 section 169.670, and whose sum of age and creditable service equals eighty-six  
5 years or more or whose creditable service is thirty-three years or more or  
6 whose age is sixty-three years or more and has eight years or more creditable  
7 service may elect a distribution under the partial lump sum option plan  
8 provided in this section if the member notifies the retirement system on the  
9 application for retirement of the member's effective date of retirement;  
10 provided that the partial lump sum option plan may not be elected if the  
11 member elects a retirement allowance under option 7 of subdivision (1) of  
12 subsection 4 of section 169.670.**

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

19           **(1) A lump sum amount equal to twelve times the retirement allowance,  
20 less any temporary retirement allowance payable pursuant to subdivision (5)**

21 **of subsection 1 of section 169.670, the member would receive if no election**  
22 **were made under this section and the member had chosen option 1 under**  
23 **section 169.670;**

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

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

34 **3. When a member makes an election to receive a lump sum**  
35 **distribution pursuant to this section, the retirement allowance that the**  
36 **member would have received in the absence of the election shall be reduced**  
37 **on an actuarially equivalent basis to reflect the payment of the lump sum**  
38 **distribution and the reduced retirement allowance shall be the member's**  
39 **retirement allowance thereafter for all purposes in relation to retirement**  
40 **allowance amounts pursuant to section 169.670. If eligible, the member may**  
41 **also receive a temporary benefit, pursuant to subdivision (5) of subsection 1**  
42 **of section 169.670, for the period of time described therein. A retirement**  
43 **allowance increased due to the death of a person nominated by the member**  
44 **to receive benefits pursuant to the provisions of option 2, 3, or 4 of subsection**  
45 **4 of section 169.670 shall be increased pursuant to such provisions to the**  
46 **amount the retired member would be receiving had the retired member**  
47 **elected option 1 as actuarially reduced due to the lump sum distribution**  
48 **made pursuant to this section. Any payment of accumulated contributions**  
49 **pursuant to the provisions of sections 169.600 to 169.715 shall be reduced by**  
50 **the amount of any lump sum distribution made pursuant to this section in**  
51 **addition to any other reductions required by sections 169.600 to 169.715.**

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

55 **5. Benefits paid pursuant to this section in addition to all other**  
56 **provisions of the nonteacher school employee retirement system of Missouri**  
57 **shall not exceed the limitations of Section 415 of Title 26 of the United States**

**58 Code except as provided in subsection 13 of section 169.670.**

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

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

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

Section B. Because the provisions of sections 169.070 and 169.670 will expire



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

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