

FIRST REGULAR SESSION

HOUSE BILL NO. 443

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES SANDER (Sponsor), SMITH (118), MUNZLINGER, MOORE,
CUNNINGHAM (86), FISHER, CHINN AND HOBBS (Co-sponsors).

Read 1st time February 3, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1204L.011

AN ACT

To repeal sections 169.010, 169.020, 169.040, 169.056, 169.070, 169.073, 169.075, 169.140, 169.555, 169.560, 169.561, 169.569, 169.600, 169.610, 169.620, 169.630, 169.650, 169.655, 169.670, 169.673, and 169.712, RSMo, and to enact in lieu thereof twenty-two new sections relating to public school retirement, with a penalty provision.

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

Section A. Sections 169.010, 169.020, 169.040, 169.056, 169.070, 169.073, 169.075,
2 169.140, 169.555, 169.560, 169.561, 169.569, 169.600, 169.610, 169.620, 169.630, 169.650,
3 169.655, 169.670, 169.673, and 169.712, RSMo, are repealed and twenty-two new sections
4 enacted in lieu thereof, to be known as sections 169.010, 169.020, 169.040, 169.056, 169.070,
5 169.073, 169.075, 169.076, 169.140, 169.560, 169.561, 169.569, 169.600, 169.610, 169.620,
6 169.630, 169.650, 169.655, 169.670, 169.673, 169.676, and 169.712, to read as follows:

169.010. The following words and phrases, as used in sections 169.010 to 169.130,
2 unless a different meaning is plainly required by the context, shall have the following meanings:

3 (1) "Accumulated contributions" shall mean the sum of the annual contributions a
4 member has made to the retirement system through deductions from the member's salary, plus
5 interest compounded annually on each year's contributions from the end of the school year during
6 which such contributions were made;

7 (2) "Board" shall mean the board of trustees provided for in sections 169.010 to 169.130;

8 (3) "Creditable service" shall mean prior service or membership service, or the sum of
9 the two, if the member has both to the member's credit;

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

10 (4) "District" shall mean public school, as herein defined;

11 (5) "Employ" shall have a meaning agreeable with that herein given to employer and
12 employee;

13 (6) "Employee" shall be synonymous with the term "teacher" as the same is herein
14 defined;

15 (7) "Employer" shall mean the district that makes payment directly to the teacher or
16 employee for such person's services;

17 (8) "Final average salary" shall mean the total compensation payable to a member for
18 any three consecutive years of creditable service, as elected by the member, divided by thirty-six;
19 with the proviso that any annual compensation entering into the total compensation shall not
20 exceed twelve thousand six hundred dollars for any year prior to July 1, 1967; and with the
21 proviso that the board may set a maximum percentage of increase in annual compensation from
22 one year to the next in the final average salary period;

23 (9) "Member" shall mean a person who holds membership in the retirement system;

24 (10) "Membership service" shall mean service rendered by a member of the retirement
25 system after the system becomes operative, and may include a period of service in the armed
26 forces of the United States as provided for in section 169.055;

27 (11) "Prior service" shall mean service rendered by a member of the retirement system
28 before the system becomes operative, and may include service rendered by a member of the
29 armed forces if the member was a teacher at the time the member was inducted, for which credit
30 has been approved by the board of trustees;

31 (12) "Public school" shall mean any school conducted within the state under the
32 authority and supervision of a duly elected district or city or town board of directors or board of
33 education and the board of regents of the several state teachers' colleges, or state colleges, board
34 of trustees of the public school retirement system of Missouri, and also the state of Missouri and
35 each county thereof, to the extent that the state and the several counties are employers of teachers
36 as herein designated;

37 (13) "Retirement allowance" shall mean a monthly payment for life during retirement;

38 (14) "Retirement system" or "system" shall mean the public school retirement system
39 of Missouri created by sections 169.010 to 169.130;

40 (15) "Salary", "salary rate" or "compensation" shall mean the regular remuneration,
41 including any payments made pursuant to sections 168.500 to 168.515, RSMo, which is earned
42 by a member as an employee of a district, but not including employer-paid fringe benefits except
43 the value of employer-paid medical benefits (including dental and vision) for members, and not
44 including **employer-paid medical benefits (including dental and vision) for anyone other**
45 **than the member, employer contributions to any deferred compensation plan,** consideration

46 for agreeing to [retire] **terminate employment** or other nonrecurring or unusual payments that
47 are not a part of regular remuneration. The board by its rules may further define salary, salary
48 rate and compensation in a manner consistent with this definition and with sections 169.010 to
49 169.141;

50 (16) "School year" shall mean the year from July first of one year to June thirtieth of next
51 year, inclusive, which shall also be the fiscal year of the system;

52 (17) "Teacher" shall mean any person who shall be employed by any public school, on
53 a full-time basis and who shall be duly certificated under the law governing the certification of
54 teachers; any person employed in the state department of elementary and secondary education
55 or by the state board of education on a full-time basis who shall be duly certificated under the
56 law governing the certification of teachers and who did not become a member of the Missouri
57 state employees' retirement system pursuant to section 104.342, RSMo; and persons employed
58 by the board of trustees of the public school retirement system of Missouri on a full-time basis
59 who shall be duly certified under the law governing the certification of teachers. The term
60 "teacher" shall be synonymous with the term "employee" as defined in this section.

169.020. 1. For the purpose of providing retirement allowances and other benefits for
2 public school teachers, there is hereby created and established a retirement system which shall
3 be a body corporate, shall be under the management of a board of trustees herein described, and
4 shall be known as "The Public School Retirement System of Missouri". Such system shall, by
5 and in such name, sue and be sued, transact all of its business, invest all of its funds, and hold
6 all of its cash, securities, and other property. The system so created shall include all school
7 districts in this state, except those in cities that had populations of four hundred thousand or more
8 according to the latest United States decennial census, and such others as are or hereafter may
9 be included in a similar system or in similar systems established by law and made operative;
10 provided, that teachers in school districts of more than four hundred thousand inhabitants who
11 are or may become members of a local retirement system may become members of this system
12 with the same legal benefits as accrue to present members of such state system on the terms and
13 under the conditions provided for in section 169.021. The system hereby established shall begin
14 operations on the first day of July next following the date upon which sections 169.010 to
15 169.130 shall take effect.

16 2. The general administration and the responsibility for the proper operation of the
17 retirement system and for making effective the provisions of sections 169.010 to 169.141 are
18 hereby vested in a board of trustees of seven persons as follows: four persons to be elected as
19 trustees by the members and retired members of the public school retirement system created by
20 sections 169.010 to 169.141 and the [nonteacher school] **public education** employee retirement
21 system created by sections 169.600 to 169.715; and three members appointed by the governor

22 with the advice and consent of the senate. The first member appointed by the governor shall
23 replace the commissioner of education for a term beginning August 28, 1998. The other two
24 members shall be appointed by the governor at the time each member's, who was appointed by
25 the state board of education, term expires.

26 3. Trustees appointed and elected shall be chosen for terms of four years from the first
27 day of July next following their appointment or election, except that one of the elected trustees
28 shall be a member of the [nonteacher school] **public education** employee retirement system and
29 shall be initially elected for a term of three years from July 1, 1991. The initial term of one other
30 elected trustee shall commence on July 1, 1992.

31 4. Trustees appointed by the governor shall be residents of school districts included in
32 the retirement system, but not employees of such districts or a state employee or a state elected
33 official **provided that one trustee so appointed shall be a member of a school board of a**
34 **school district covered by the public school retirement system and that such appointment**
35 **shall be made upon the occurrence of the first vacancy among the three appointed trustees**
36 **after August 28, 2005.** At least one trustee so appointed shall be a retired member of the public
37 school retirement system or the [nonteacher school] **public education** employee retirement
38 system. Three elected trustees shall be members of the public school retirement system and one
39 elected trustee shall be a member of the [nonteacher school] **public education** employee
40 retirement system.

41 5. The elections of the trustees shall be arranged for, managed and conducted by the
42 board of trustees of the retirement system.

43 6. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the
44 unexpired term in the same manner as the office was previously filled.

45 7. Trustees of the retirement system shall serve without compensation but they shall be
46 reimbursed for expenses necessarily incurred through service on the board of trustees.

47 8. Each trustee shall be commissioned by the governor, and before entering upon the
48 duties of the trustee's office, shall take and subscribe to an oath or affirmation to support the
49 Constitution of the United States, and of the state of Missouri and to demean himself or herself
50 faithfully in the trustee's office. Such oath as subscribed to shall be filed in the office of secretary
51 of state of this state.

52 9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be
53 necessary for a decision by the trustees at any meeting of the board of trustees. Unless otherwise
54 expressly provided herein, a meeting need not be called or held to make any decision on a matter
55 before the board. Each member must be sent by the executive director a copy of the matter to
56 be decided with full information from the files of the board of trustees. The unanimous decision
57 of four trustees may decide the issue by signing a document declaring their decision and sending

58 such written instrument to the executive director of the board, provided that no other member
59 of the board of trustees shall send a dissenting decision to the executive director of the board
60 within fifteen days after such document and information was mailed to the trustee. If any
61 member is not in agreement with four members the matter is to be passed on at a regular board
62 meeting or a special meeting called for the purpose.

63 10. The board of trustees shall elect one of their number as chairman, and shall employ
64 a full-time executive director, not one of their number, who shall be the executive officer of the
65 board. Other employees of the board shall be chosen only upon the recommendation of the
66 executive director.

67 11. The board of trustees shall employ an actuary who shall be its technical advisor on
68 matters regarding the operation of the retirement system, and shall perform such duties as are
69 essential in connection therewith, including the recommendation for adoption by the board of
70 mortality and other necessary tables, and the recommendation of the level rate of contributions
71 required for operation of the system.

72 12. As soon as practicable after the establishment of the retirement system, and annually
73 thereafter, the actuary shall make a valuation of the system's assets and liabilities on the basis of
74 such tables as have been adopted.

75 13. At least once in the three-year period following the establishment of the retirement
76 system, and in each five-year period thereafter, the board of trustees shall cause to be made an
77 actuarial investigation into the mortality, service, and compensation experience of the members
78 and beneficiaries of the system, and shall make any changes in the mortality, service, and other
79 tables then in use which the results of the investigation show to be necessary.

80 14. Subject to the limitations of sections 169.010 to 169.141 and 169.600 to 169.715,
81 the board of trustees shall formulate and adopt rules and regulations for the government of its
82 own proceedings and for the administration of the retirement system.

83 15. The board of trustees shall determine and decide all questions of doubt as to what
84 constitutes employment within the meaning of sections 169.010 to 169.141 and 169.600 to
85 169.715, the amount of benefits to be paid to members, retired members, beneficiaries and
86 survivors and the amount of contributions to be paid by employer and employee. The executive
87 director shall notify by [registered] **certified** mail both employer and member, retired member,
88 beneficiary or survivor interested in such determination. Any member, retired member,
89 beneficiary or survivor, district or employer adversely affected by such determination, at any time
90 within thirty days after being notified of such determination, may appeal to the circuit court of
91 Cole County. Such appeal shall be tried and determined anew in the circuit court and such court
92 shall hear and consider any and all competent testimony relative to the issues in the case, which
93 may be offered by either party thereto. The circuit court shall determine the rights of the parties

94 under sections 169.010 to 169.141 and 169.600 to 169.715 using the same standard provided in
95 section 536.150, RSMo, and the judgment or order of such circuit court shall be binding upon
96 the parties and the board shall carry out such judgment or order unless an appeal is taken from
97 such decision of the circuit court. Appeals may be had from the circuit court by the employer,
98 member, retired member, beneficiary, survivor or the board, in the manner provided by the civil
99 code.

100 16. The board of trustees shall keep a record of all its proceedings, which shall be open
101 to public inspection. It shall prepare annually a comprehensive annual financial report, the
102 financial section of which shall be prepared in accordance with applicable accounting standards
103 and shall include the independent auditor's opinion letter. The report shall also include
104 information on the actuarial status and the investments of the system. The reports shall be
105 preserved by the executive director and made available for public inspection.

106 17. The board of trustees shall provide for the maintenance of an individual account with
107 each member, setting forth such data as may be necessary for a ready determination of the
108 member's earnings, contributions, and interest accumulations. It shall also collect and keep in
109 convenient form such data as shall be necessary for the preparation of the required mortality and
110 service tables and for the compilation of such other information as shall be required for the
111 valuation of the system's assets and liabilities. All individually identifiable information
112 pertaining to members, retirees, beneficiaries and survivors shall be confidential.

113 18. The board of trustees shall meet regularly at least twice each year, with the dates of
114 such meetings to be designated in the rules and regulations adopted by the board. Such other
115 meetings as are deemed necessary may be called by the chairman of the board or by any four
116 members acting jointly.

117 19. The headquarters of the retirement system shall be in Jefferson City, where suitable
118 office space, utilities and other services and equipment necessary for the operation of the system
119 shall be provided by the board of trustees and all costs shall be paid from funds of the system.
120 All suits in which the board of trustees, the board's members or employees or the retirement
121 system established by sections 169.010 to 169.141 or 169.600 to 169.715 are parties shall be
122 brought in Cole County.

123 20. The board may appoint an attorney or firm of attorneys to be the legal advisor to the
124 board and to represent the board in legal proceedings, however, if the board does not make such
125 an appointment, the attorney general shall be the legal advisor of the board of trustees, and shall
126 represent the board in all legal proceedings.

127 21. The board of trustees shall arrange for adequate surety bonds covering the executive
128 director. When approved by the board, such bonds shall be deposited in the office of the
129 secretary of state of this state.

130 22. The board shall arrange for annual audits of the records and accounts of the system
131 by a firm of certified public accountants, the state auditor shall review the audit of the records
132 and accounts of the system at least once every three years and shall report the results to the board
133 of trustees and the governor.

134 23. The board by its rules may establish an interest charge to be paid by the employer
135 on any payments of contributions which are delinquent. The rate charged shall not exceed the
136 actuarially assumed rate of return on invested funds of the pertinent system.

169.040. 1. All funds arising from the operation of sections 169.010 to 169.141 shall
2 belong to the retirement system herein created and shall be controlled by the board of trustees
3 of that system which board shall provide for the collection of such funds, shall see that they are
4 safely preserved, and shall permit their disbursement only for the purposes herein authorized.
5 Such funds and all other funds received by the retirement system are declared and shall be
6 deemed to be the moneys and funds of the retirement system and not revenue collected or
7 moneys received by the state and shall not be commingled with state funds.

8 2. The board shall invest all funds under its control which are in excess of a safe
9 operating balance. The funds shall be invested only in those investments which a prudent person
10 acting in a like capacity and familiar with these matters would use in the conduct of an enterprise
11 of a like character and with like aims, as provided in section 105.688, RSMo. The board of
12 trustees may delegate to duly appointed investment counselors authority to act in place of the
13 board in the investment and reinvestment of all or part of the moneys of the system, and may also
14 delegate to such counselors the authority to act in place of the board in the holding, purchasing,
15 selling, assigning, transferring or disposing of any or all of the securities and investments in
16 which such moneys shall have been invested, as well as the proceeds of such investments and
17 such moneys. Such investment counselors shall be registered as investment advisors with the
18 United States Securities and Exchange Commission. In exercising or delegating its investment
19 powers and authority, members of the board shall exercise ordinary business care and prudence
20 under the facts and circumstances prevailing at the time of the action or decision. No member
21 of the board shall be liable for any action taken or omitted with respect to the exercise of, or
22 delegation of, these powers and authority if such member shall have discharged the duties of his
23 or her position in good faith and with that degree of diligence, care and skill which a prudent
24 person acting in a like capacity and familiar with these matters would use in the conduct of an
25 enterprise of a like character and with like aims.

26 3. No investment transaction authorized by the board shall be handled by any company
27 or firm in which a member of the board has an interest, nor shall any member of the board profit
28 directly or indirectly from any such investment. All investments shall be made for the account
29 of the retirement system, and any securities or other properties obtained by the board of trustees

30 may be held by a custodian in the name of the retirement system, or in the name of a nominee
31 in order to facilitate the expeditious transfer of such securities or other property. Such securities
32 or other properties which are not available in registered form may be held in bearer form or in
33 book entry form. The retirement system is further authorized to deposit, or have deposited for
34 its account, eligible securities in a central depository system or clearing corporation or in a
35 federal reserve bank under a book entry system as defined in the Uniform Commercial Code,
36 sections 400.8-102 and 400.8-109, RSMo. When such eligible securities of the retirement
37 system are so deposited with a central depository system they may be merged and held in the
38 name of the nominee of such securities depository and title to such securities may be transferred
39 by bookkeeping entry on the books of such securities depository or federal reserve bank without
40 physical delivery of the certificates or documents representing such securities.

41 4. With appropriate safeguards against loss by the system in any contingency, the board
42 may designate a bank or trust company to serve as a depository of system funds and intermediary
43 in the investment of those funds and payment of system obligations.

44 5. All retirement allowances or other periodic payments paid by the board shall be paid
45 to recipients of such payments by electronic funds transfer, unless another method has been
46 determined by the board to be appropriate. Each recipient of retirement allowances or other
47 periodic payments shall designate a financial institution or other authorized payment agent and
48 provide the board information necessary for the recipient to receive electronic funds transfer
49 payments through the institution or agent designated. This subsection shall apply to retirement
50 allowances and other periodic payments first paid on or after January 1, 1998, and shall apply
51 to all retirement allowances and other periodic payments on and after January 1, 1999.

52 **6. The board of trustees may deliberate about, or make tentative or final decisions**
53 **on, investments or other financial matters in a closed meeting under chapter 610, RSMo,**
54 **if disclosure of the deliberations or decisions would jeopardize the ability to implement a**
55 **decision or to achieve investment objectives. A record of the retirement system that**
56 **discloses deliberations about, or a tentative decision on, investments or other financial**
57 **matters is not a public record under chapter 610, RSMo, to the extent and so long as its**
58 **disclosure would jeopardize the ability to implement a decision or to achieve investment**
59 **objectives.**

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

7 (1) The purchase shall be effected by the member paying to the retirement system the
8 amount the member would have contributed and the amount the employer would have
9 contributed had such member been an employee for the number of years for which the member
10 is electing to purchase credit, and had the member's compensation during such period been the
11 highest annual salary rate on record with the retirement system on the date of election to purchase
12 credit. For purposes of this section, "annual salary rate" means the annual salary rate for
13 full-time service for the position of employment. The contribution rate used in determining the
14 amount to be paid shall be the contribution rate in effect on the date of election to purchase
15 credit. **Notwithstanding the provisions of this subsection, for all elections to purchase credit
16 received by the retirement system on or after January 1, 2006, the member shall receive
17 credit based on the amount paid by the member for such credit and received by the
18 retirement system by the close of business on June thirtieth of each year. In lieu of
19 charging the member interest on such purchase of credit, the amount to be paid by the
20 member for any remaining credit the member has elected to purchase but has not paid for
21 by June thirtieth of each year shall be recalculated on the following July first using the
22 contribution rate in effect on that July first and the highest salary of record for the
23 member as of that July first. For all elections to purchase credit received by the retirement
24 system prior to January 1, 2006, the retirement system shall determine the cost of such
25 purchase using the calculation method in effect for elections to purchase credit received by
26 the retirement system on or after January 1, 2006, provided that the member shall have a
27 one-time, irrevocable option to continue to have the cost of such purchase be determined
28 using the calculation method in effect at the time of such election to purchase such credit.
29 To be effective, such option must be elected by the member on a form approved by the
30 retirement system and such form must be received by the retirement system by the close
31 of business on June 30, 2006. The retirement system reserves the right to limit the amount
32 of credit purchased by the member in any year if the amounts paid by the member in that
33 year would exceed any applicable contribution limits set forth in Section 415 of Title 26 of
34 the United States Code;**

35 (2) Membership service credit purchased pursuant to this section shall be deemed to be
36 membership service in Missouri for purposes of subsection 7 of section 169.070;

37 (3) An election to purchase membership service credit pursuant to this section and
38 payment for the purchase shall be completed prior to termination of membership with the
39 retirement system with interest on the unpaid balance;

40 (4) Members may purchase membership service credit in increments of one-tenth of a
41 year, and multiple elections to purchase may be made;

42 (5) Additional terms and conditions applicable to purchase made pursuant to this section

43 including, but not limited to, minimum payments, payment schedules and provisions applicable
44 when a member fails to complete payment may be set by rules of the board.

45 2. Membership service credit shall not be allowed pursuant to this section or sections
46 169.570 and 169.577 which exceeds in length the member's membership service credit for
47 employment in a position covered by this system, and in no event may the member receive
48 membership service credit with both this system and another public retirement system for the
49 same service.

50 3. A member who was employed for at least twenty hours per week on a regular basis
51 by a public school district, public junior college, public community college, public college, or
52 public university, either inside or outside of this state, may elect to purchase equivalent
53 membership service credit.

54 4. A member who has served in the armed forces of the United States of America and
55 who was discharged or separated from the armed forces by other than a dishonorable discharge
56 may elect to purchase membership service for the period of active duty service in the armed
57 forces.

58 5. Any member granted unpaid maternity or paternity leave for a period, from a position
59 covered by the retirement system, who returned to employment in such a position, may elect to
60 purchase membership service credit for the period of leave.

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

67 7. Any member who had membership service credit with the [nonteacher school] **public**
68 **education** employee retirement system of Missouri governed by sections 169.600 to 169.715 but
69 which membership service credit was forfeited by withdrawal or refund may elect to purchase
70 credit for such service. The [nonteacher school] **public education** employee retirement system
71 of Missouri shall transfer to this system an amount equal to the employer contributions for the
72 forfeited service being purchased, plus interest, which shall be applied to reduce the amount the
73 member would otherwise pay for the purchase, provided that the amount transferred shall not
74 exceed one-half of the purchase cost.

75 8. A member may elect to purchase membership service credit for service rendered while
76 on leave from an employer, as defined in section 169.010, for a not-for-profit corporation or
77 agency whose primary purpose is support of education or education research, if the member was
78 employed by that organization to serve twenty or more hours per week on a regular basis.

79 9. A member who was employed by a private school, private junior college, private
80 community college, private college, or private university, either inside or outside of this state,
81 for at least twenty hours per week on a regular basis, may elect to purchase equivalent
82 membership service credit for such service rendered.

83 **10. A member who was employed in nonfederal public employment for at least**
84 **twenty hours a week on a regular basis shall be permitted to purchase equivalent**
85 **creditable service in the retirement system for such employment subject to provisions of**
86 **this section.**

87 **11. A member who, while eighteen years of age or older, was employed in a position**
88 **covered by Social Security for at least twenty hours a week on a regular basis shall be**
89 **permitted to purchase equivalent creditable service in the retirement system for such**
90 **employment subject to provisions of this section.**

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

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

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

11

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

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

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

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

25 age fifty-five;

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

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

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

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

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

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

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

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

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

58 OR

59 Option 3. Upon the death of the member three-fourths of the reduced retirement
60 allowance shall be continued throughout the life of and paid to such person as has an insurable

61 interest in the life of the member and as the member shall have nominated in an election of the
62 option, and provided further that if the person so nominated dies before the retired member, the
63 retirement allowance will be increased to the amount the retired member would be receiving had
64 the member elected option 1;

65 OR

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

72 OR

73 Option 5. Upon the death of the member prior to the member having received one
74 hundred twenty monthly payments of the member's reduced allowance, the remainder of the one
75 hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as
76 the member shall have nominated in the member's election of the option or in a subsequent
77 nomination. If there is no beneficiary so nominated who survives the member for the remainder
78 of the one hundred twenty monthly payments, the [reserve for] **total of** the remainder of such one
79 hundred twenty monthly payments shall be paid to the estate of the last person to receive a
80 monthly allowance. **If the total of the one hundred twenty payments paid to the retired**
81 **individual and the beneficiary of the retired individual is less than the total of the**
82 **member's accumulated contributions, the difference shall be paid to the beneficiary in a**
83 **lump sum;**

84 OR

85 Option 6. Upon the death of the member prior to the member having received sixty
86 monthly payments of the member's reduced allowance, the remainder of the sixty monthly
87 payments of the reduced allowance shall be paid to such beneficiary as the member shall have
88 nominated in the member's election of the option or in a subsequent nomination. If there is no
89 beneficiary so nominated who survives the member for the remainder of the sixty monthly
90 payments, the [reserve] **total** of the remainder of such sixty monthly payments shall be paid to
91 the estate of the last person to receive a monthly allowance. **If the total of the sixty payments**
92 **paid to the retired individual and the beneficiary of the retired individual is less than the**
93 **total of the member's accumulated contributions, the difference shall be paid to the**
94 **beneficiary in a lump sum.**

95 (2) The election of an option may be made only in the application for retirement and such
96 application must be filed prior to the date on which the retirement of the member is to be

97 effective. If either the member or the person nominated to receive the survivorship payments
98 dies before the effective date of retirement, the option shall not be effective, provided that:

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

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

118 4. If the total of the retirement **or disability** allowance paid to an individual before the
119 death of the individual is less than the accumulated contributions at the time of retirement, the
120 difference shall be paid to the beneficiary of the individual, or to the **(1) surviving spouse, (2)**
121 **surviving children in equal shares, (3) surviving parents in equal shares, or (4)** estate of the
122 individual[, if there be no beneficiary] **in that order of precedence**. If an optional benefit as
123 provided in option 2, 3 or 4 in subsection 3 of this section had been elected, and the beneficiary
124 dies after receiving the optional benefit, and if the total retirement allowance paid to the retired
125 individual and the beneficiary of the retired individual is less than the total of the contributions,
126 the difference shall be paid to the **(1) surviving spouse, (2) surviving children in equal shares,**
127 **(3) surviving parents in equal shares, or (4)** estate of the beneficiary, **in that order of**
128 **precedence**, unless the retired individual designates a different recipient with the board at or
129 after retirement.

130 5. If a member dies before receiving a retirement allowance, the member's accumulated
131 contributions at the time of the death of the member shall be paid to the beneficiary of the
132 member or, **if there is no beneficiary, to the (1) surviving spouse, (2) surviving children in**

133 **equal shares, (3) surviving parents in equal shares, or (4)** to the estate of the member[, if
134 there be no beneficiary] **in that order of precedence**; except that, no such payment shall be
135 made if the beneficiary elects option 2 in subsection 3 of this section, unless the beneficiary dies
136 before having received benefits pursuant to that subsection equal to the accumulated
137 contributions of the member, in which case the amount of accumulated contributions in excess
138 of the total benefits paid pursuant to that subsection shall be paid to the **(1) surviving spouse,**
139 **(2) surviving children in equal shares, (3) surviving parents in equal shares, or (4)** estate
140 of the beneficiary, **in that order of precedence.**

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

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

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

161 9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, from
162 October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be
163 multiplied by the factor of two-thirds for any member of the system for whom federal Old Age
164 and Survivors Insurance tax is paid from state or local tax funds on account of the member's
165 employment entitling the person to membership in the system. The monetary benefits for a
166 member who elected not to exercise an option to pay into the system a retroactive contribution
167 of four percent on that part of the member's annual salary rate which was in excess of four
168 thousand eight hundred dollars but not in excess of eight thousand four hundred dollars for each

169 year of employment in a position covered by this system between July 1, 1957, and July 1, 1961,
170 as provided in subsection 10 of this section as it appears in RSMo, 1969, shall be the sum of:

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

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

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

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

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

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

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

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

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

202 12. If the board of trustees determines that the cost of living, as measured by generally
203 accepted standards, increases two percent or more in the preceding fiscal year, the board shall
204 increase the retirement allowances which the retired members or beneficiaries are receiving by

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

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

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

230 15. Notwithstanding any other provision of law, any person retired prior to September
231 28, 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of
232 subsection 3 of this section, as such option existed prior to September 28, 1983, and whose
233 beneficiary nominated to receive continued retirement allowance payments under the elected
234 option dies or has died, shall upon application to the board of trustees have his or her retirement
235 allowance increased to the amount he or she would have been receiving had the option not been
236 elected, actuarially adjusted to recognize any excessive benefits which would have been paid to
237 him or her up to the time of application.

238 16. Benefits paid pursuant to the provisions of the public school retirement system of
239 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code
240 except as provided pursuant to this subsection. Notwithstanding any other law to the contrary,

241 the board of trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the
242 United States Code. Such plan shall be created solely for the purpose described in Section
243 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may promulgate
244 regulations necessary to implement the provisions of this subsection and to create and administer
245 such benefit plan.

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

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

267 18. Notwithstanding any other provisions of law to the contrary, any person retired prior
268 to May 26, 1994, and any designated beneficiary of such a retired member who was deceased
269 prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a
270 special consultant on the matters of education, retirement or aging and upon request shall give
271 written or oral opinions to the board in response to such requests. Beginning September 1, 1996,
272 as compensation for such service, the member shall have added, pursuant to this subsection, to
273 the member's monthly annuity as provided by this section a dollar amount equal to the lesser of
274 sixty dollars or the product of two dollars multiplied by the member's number of years of
275 creditable service. Beginning September 1, 1999, the designated beneficiary of the deceased
276 member shall as compensation for such service have added, pursuant to this subsection, to the

277 monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars
278 or the product of two dollars multiplied by the member's number of years of creditable service.
279 The total compensation provided by this section including the compensation provided by this
280 subsection shall be used in calculating any future cost-of-living adjustments provided by
281 subsection 12 of this section.

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

290 20. Any member who has retired shall be made, constituted, appointed and employed
291 by the board as a special consultant on the matters of education, retirement and aging, and upon
292 request shall give written or oral opinions to the board in response to such request. As
293 compensation for such duties, the [person] **beneficiary of the retired member, or, if there is**
294 **no beneficiary, the (1) surviving spouse, (2) surviving children in equal shares, (3)**
295 **surviving parents in equal shares, or (4) estate of the retired member, in that order of**
296 **precedence**, shall receive as a part of compensation for these duties a death benefit of five
297 thousand dollars.

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

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

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

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

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

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

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

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

21 3. When a member makes an election to receive a lump sum distribution pursuant to this
22 section, the retirement allowance that the member would have received in the absence of the
23 election shall be reduced on an actuarially equivalent basis to reflect the payment of the lump
24 sum distribution and the reduced retirement allowance shall be the member's retirement
25 allowance thereafter for all purposes in relation to retirement allowance amounts pursuant to
26 section 169.070. A retirement allowance increased due to the death of a person nominated by
27 the member to receive benefits pursuant to the provisions of option 2, 3, or 4 of subsection 3 of
28 section 169.070 shall be increased pursuant to such provisions to the amount the retired member

29 would be receiving had the retired member elected option 1 as actuarially reduced due to the
30 lump sum distribution made pursuant to this section. Any payment of accumulated contributions
31 pursuant to the provisions of sections 169.010 to 169.141 shall be reduced by the amount of any
32 lump sum distribution made pursuant to this section in addition to any other reductions required
33 by sections 169.010 to 169.141.

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

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

169.075. 1. Certain survivors specified in this section and meeting the requirements of
2 this section may elect to forfeit any payments payable pursuant to subsection 3 or 5 of section
3 169.070 and to receive certain other benefits described in this section upon the death of a
4 member prior to retirement, except retirement with disability benefits, whose period of creditable
5 service in districts included in the retirement system is **(1) five years or more, or (2) two years**
6 **[or more] but less than five years** and who dies (a) while teaching in a district included in the
7 retirement system, or (b) as a result of an injury or sickness incurred while teaching in such a
8 district and within one year of the commencement of such injury or sickness, or (c) while eligible
9 for a disability retirement allowance hereunder.

10 2. Upon an election pursuant to subsection 1 of this section, a surviving spouse sixty
11 years of age, or upon attainment of age sixty, or a surviving spouse who has been totally and
12 permanently disabled for not less than five years immediately preceding the death of a member
13 if designated as the sole beneficiary, and if married to the member at least three years, and if
14 living with such member at the time of the member's death, shall be entitled to a monthly
15 payment equal to twenty percent of one-twelfth of the annual salary rate on which the member
16 contributed for the member's last full year of creditable service as a teacher in a district included
17 in the retirement system until death or recovery prior to age sixty from the disability which
18 qualified the spouse for the benefit, whichever first occurs; provided that the monthly payment
19 shall not be less than five hundred seventy-five dollars or more than eight hundred sixty dollars.
20 A surviving spouse, who is eligible for benefits pursuant to this subsection and also pursuant to
21 subsection 3 of this section may receive benefits only pursuant to subsection 3 of this section as
22 long as the surviving spouse remains eligible pursuant to both subsections, but shall not be
23 disqualified for the benefit provided in this subsection because the surviving spouse may have
24 received payments pursuant to subsection 3 of this section. Beginning August 28, 2001, a
25 surviving spouse who otherwise meets the requirements of this subsection but who remarried
26 prior to August 28, 1995, shall be entitled, upon an election pursuant to subsection 1 of this

27 section, to any remaining benefits that would otherwise have been received had the surviving
28 spouse not remarried before the change in law permitting remarried surviving spouses to
29 continue receiving benefits. Such surviving spouses may, upon application, become special
30 consultants whose benefit will be to receive the remaining benefits described in this subsection.
31 No benefit shall be paid to such surviving spouse unless he or she files a valid application for
32 such benefit with the retirement system postmarked on or before June 30, 2002. In no event shall
33 any retroactive benefits be paid.

34 3. Upon an election pursuant to subsection 1 of this section, a surviving spouse, if
35 designated as the sole beneficiary, who has in the surviving spouse's care a dependent unmarried
36 child, including a stepchild or adopted child, of the deceased member, under eighteen years of
37 age, shall be entitled to a monthly payment equal to twenty percent of one-twelfth of the annual
38 salary rate on which the member contributed for the member's last full year of creditable service
39 as a teacher in a district included in the retirement system until the surviving spouse's death, or
40 the first date when no such dependent unmarried child under age eighteen, or age twenty-four
41 if the child is enrolled in school on a full-time basis, remains in the surviving spouse's care,
42 whichever first occurs; provided that the monthly payment shall not be less than five hundred
43 seventy-five dollars or more than eight hundred sixty dollars. In addition the surviving spouse
44 shall be entitled to a monthly payment equal to one-half this amount, provided that the monthly
45 payment shall not be less than three hundred dollars, for each such dependent unmarried child
46 under eighteen years of age, or age twenty-four if the child is enrolled in school on a full-time
47 basis, who remains in the surviving spouse's care. Further, in addition to the monthly payment
48 to the surviving spouse as provided for in this subsection, each dependent unmarried child under
49 the age of eighteen years of the deceased member not in the care of such surviving spouse shall
50 be entitled to a monthly payment equal to one-half of the surviving spouse's monthly payment
51 which shall be paid to the child's primary custodial parent or legal guardian; provided that the
52 payment because of an unmarried dependent child shall be made until the child attains age
53 twenty-four if the child is enrolled in school on a full-time basis; provided, however, that the
54 total of all monthly payments to the surviving spouse, primary custodial parent or legal guardian,
55 including payments for such dependent unmarried children, shall in no event exceed two
56 thousand one hundred sixty dollars, the amount of the children's share to be allocated equally as
57 to each dependent unmarried child eligible to receive payments pursuant to this subsection.

58 4. Upon an election pursuant to subsection 1 of this section if the designated beneficiary
59 is a dependent unmarried child as defined in this section or automatically upon the death of a
60 surviving spouse receiving benefits pursuant to subsection 3 of this section, each surviving
61 dependent unmarried child, including a stepchild or adopted child, of the deceased member,
62 under eighteen years of age, or such a child under age twenty-four if the child is enrolled in

63 school on a full-time basis, shall be entitled to a monthly payment equal to sixteen and two-thirds
64 percent of one-twelfth of the annual salary rate on which the member contributed for the
65 member's last full year of creditable service as a teacher in a district included in the retirement
66 system until death, marriage, adoption, or attainment of age eighteen or age twenty-four if
67 enrolled in school on a full-time basis, whichever first occurs; provided that the monthly
68 payment shall not be less than five hundred dollars or more than seven hundred twenty dollars,
69 and provided further that any child of the deceased member who is disabled before attainment
70 of age eighteen because of a physical or mental impairment which renders the child unable to
71 engage in any substantial gainful activity and which disability continues after the child has
72 attained age eighteen shall be entitled to a like monthly payment, until death, marriage, adoption,
73 or recovery from the disability, whichever first occurs; provided, however, that the total of all
74 monthly payments to the surviving dependent unmarried children shall in no event exceed two
75 thousand one hundred sixty dollars.

76 **5. In lieu of receiving any benefit or lump sum from the retirement system, the**
77 **designated beneficiary may elect under subsection 1 of this section to direct that each**
78 **surviving dependent unmarried child, including a stepchild or adopted child, of the**
79 **deceased member, under eighteen years of age, or such a child under age twenty-four if the**
80 **child is enrolled in school on a full-time basis, shall be entitled to a monthly payment equal**
81 **to sixteen and two-thirds percent of one-twelfth of the annual salary rate on which the**
82 **member contributed for the member's last full year of creditable service as a teacher in a**
83 **district included in the retirement system until death, marriage, adoption, or attainment**
84 **of age eighteen or age twenty-four if enrolled in school on a full-time basis, whichever first**
85 **occurs; provided that the monthly payment shall not be less than five hundred dollars or**
86 **more than seven hundred twenty dollars, and provided further that any child of the**
87 **deceased member who is disabled before attainment of age eighteen because of a physical**
88 **or mental impairment which renders the child unable to engage in any substantial gainful**
89 **activity and which disability continues after the child has attained age eighteen shall be**
90 **entitled to a like monthly payment, until death, marriage, adoption, or recovery from the**
91 **disability, whichever first occurs; provided, however, that the total of all monthly**
92 **payments to the surviving dependent unmarried children shall in no event exceed two**
93 **thousand one hundred sixty dollars.**

94 **6. Upon an election pursuant to subsection 1 of this section, a surviving dependent parent**
95 **of the deceased member, over sixty-five years of age or upon attainment of age sixty-five if**
96 **designated as the sole beneficiary, provided such dependent parent was receiving at least one-half**
97 **of the parent's support from such member at the time of the member's death and provided the**
98 **parent files proof of such support within two years of such death, shall be entitled to a monthly**

99 payment equal to sixteen and two-thirds percent of one-twelfth of the annual salary rate on which
100 the member contributed for the member's last full year as a teacher in a district included in the
101 retirement system until death; provided that the monthly payment shall not be less than five
102 hundred dollars or more than seven hundred twenty dollars. If the other parent also is a
103 dependent, as defined in this section, the same amount shall be paid to each until death.

104 [6.] 7. All else in this section to the contrary notwithstanding, a survivor may not be
105 eligible to benefit pursuant to this section because of more than one terminated membership, and
106 be it further provided that the board of trustees shall determine and decide all questions of doubt
107 as to what constitutes dependency within the meaning of this section.

108 [7.] 8. The provisions added to subsection 3 of this section in 1991 are intended to clarify
109 the scope and meaning of this section as originally enacted and shall be applied in all cases in
110 which such an election has occurred or will occur.

111 [8.] 9. After July 1, 2000, all benefits payable pursuant to subsections 1 to 7 of this
112 section shall be payable to eligible current and future survivor beneficiaries in accordance with
113 this section.

114 [9.] 10. The system shall pay a monthly retirement allowance for the month in which a
115 retired member, beneficiary or survivor receiving a retirement allowance or survivor benefit dies.

116 **11. If the total of all payments made under this section is less than the total of the**
117 **member's accumulated contributions, the difference shall be paid to the person making the**
118 **election under subsection 1 of this section. If such person does not survive until all**
119 **payments are made under this section, such difference shall be paid in accordance with**
120 **section 169.076.**

169.076. 1. If a member dies before service retirement and is not survived by a
2 **beneficiary under a valid beneficiary designation filed with the retirement system or all**
3 **designated beneficiaries have disclaimed the right to receive benefits from the retirement**
4 **system, the following individuals shall be deemed to be the member's designated**
5 **beneficiaries, in the following order of precedence, for the purpose of making an election**
6 **and receiving benefits under paragraph (a) or (b) of subdivision (2) of subsection 3 of**
7 **section 169.070 or section 169.075:**

8 (1) Surviving spouse at the time of the member's death;

9 (2) Surviving children eligible to receive benefits under section 169.075 at the time
10 of the member's death, share and share alike;

11 (3) Surviving children not eligible to receive benefits under section 169.075 at the
12 time of the member's death, share and share alike;

13 (4) Surviving dependent parents eligible for a benefit under section 169.075 at the
14 time of the member's death, share and share alike;

15 **(5) Surviving parents, share and share alike;**

16 **(6) Estate.**

17 **2. The member's most recent valid designation of a beneficiary received by the**
18 **retirement system prior to the member's death revokes all previous designations in their**
19 **entirety. The member's marriage, divorce, withdrawal of accumulated contributions, or**
20 **the birth of the member's child, or the member's adoption of a child, shall result in an**
21 **automatic revocation of the member's previous designation in its entirety upon the**
22 **retirement system receiving actual notice of such event before or after the member's death**
23 **and prior to any payments being made under the provisions of this chapter. This section**
24 **applies to all beneficiary designations filed with the retirement system before or after the**
25 **enactment of this section under which payments have not been made under this chapter.**
26 **This section shall not apply to the member's designation of a beneficiary to receive a**
27 **monthly benefit upon the death of the member under subdivision (1) of subsection 3 of**
28 **section 169.070.**

 169.140. Any person employed in a public junior college upon a full-time basis and who
2 shall be duly certificated under the law governing the certification of teachers, or any person
3 employed in said public junior college in a full-time teaching, supervisory or educational
4 administrative position certified by the executive officer of the institution for such full-time
5 duties shall be a member of the public school retirement system of Missouri; except that, if the
6 employee is a member of the [nonteacher school] **public education** employees' retirement
7 system at the time such employment would qualify him for membership under this section, he
8 may elect to continue in that system if he makes the election to continue at the time he becomes
9 eligible for membership in the public school retirement system.

 169.560. Any person retired and currently receiving a retirement allowance pursuant to
2 sections 169.010 to 169.141, other than for disability, may be employed in any capacity in a
3 district included in the retirement system created by those sections on either a part-time or
4 temporary-substitute basis not to exceed a total of five hundred fifty hours in any one school
5 year, and through such employment may earn up to fifty percent of the annual compensation
6 payable under the employing district's salary schedule for the position or positions filled by the
7 retiree, given such person's level of experience and education, without a discontinuance of the
8 person's retirement allowance. If the employing school district does not utilize a salary schedule,
9 or if the position in question is not subject to the employing district's salary schedule, a retiree
10 employed in accordance with the provisions of this section may earn up to fifty percent of the
11 annual compensation paid to the person or persons who last held such position or positions. If
12 the position or positions did not previously exist, the compensation limit shall be determined in
13 accordance with rules duly adopted by the board of trustees of the retirement system; provided

14 that, it shall not exceed fifty percent of the annual compensation payable for the position in the
15 employing school district that is most comparable to the position filled by the retiree. In any case
16 where a retiree fills more than one position during the school year, the fifty-percent limit on
17 permitted earning shall be based solely on the annual compensation of the highest paid position
18 occupied by the retiree for at least one-fifth of the total hours worked during the year. Such a
19 person shall not contribute to the retirement system or to the [nonteacher school] **public**
20 **education** employee retirement system established by sections 169.600 to 169.715 because of
21 earnings during such period of employment. If such a person is employed in any capacity by
22 such a district on a regular, full-time basis, the person shall not be eligible to receive the person's
23 retirement allowance for any month during which the person is so employed and shall contribute
24 to the retirement system.

169.561. Any person retired and currently receiving a retirement allowance from either
2 the public school retirement system of Missouri or the [nonteacher school] **public education**
3 employee retirement system of Missouri, other than for disability, who elects to return to work
4 in an employment capacity covered by either of the aforementioned retirement systems shall
5 undertake such service under a new membership in the applicable system. The new membership
6 for such a person shall have a vesting period of one year of creditable service, after which the
7 person shall be eligible to retire and receive a second or subsequent retirement allowance for the
8 service credit earned under the new membership in accordance with the law governing such
9 matters. Contributions shall be made to the retirement system for any covered employment
10 under the new membership at the same time and in the same manner as contributions are made
11 for covered employment generally. Service credit shall be earned or may be acquired under the
12 new membership in accordance with the law governing such matters. A second or subsequent
13 membership or retirement allowance established or earned pursuant to this section shall be
14 separate from and shall not be combined with any previous membership service credit or
15 retirement allowance earned from the aforementioned retirement systems. Upon termination of
16 covered employment under a second or subsequent membership, and in lieu of application for
17 and receipt of a retirement allowance based on such service, the person may withdraw from the
18 retirement system and receive a refund of the person's contributions during such membership in
19 accordance with the law governing such matters; provided that, by so doing, the person shall
20 forfeit any creditable service the person may have accrued under that membership. A person
21 shall not receive a retirement allowance from the aforementioned retirement systems for any
22 previous membership service while in covered employment under a new membership established
23 pursuant to this section, nor shall a person receive such a retirement allowance in any month in
24 which the person earns service credit under the new membership.

169.569. 1. In accordance with the recommendations made pursuant to section 169.566,

2 the public school retirement system of Missouri, the public school retirement system of the
3 Kansas City school district, the public school retirement system of the St. Louis City school
4 district and the [nonteacher school] **public education** employee retirement system of Missouri
5 created pursuant to this chapter shall promulgate joint rules, which shall provide for the
6 recognition of service toward retirement eligibility rendered by certified and noncertified
7 personnel under any of the four systems. Such rules shall be limited to creditable service
8 established with each system and shall in no event permit any transfer of creditable service or
9 system assets.

10 2. Rules required pursuant to subsection 1 of this section shall be approved, and may be
11 amended, by a majority of all of the trustees of each board of the four retirement systems. At
12 least thirty days prior to the meeting of any board of one of the four retirement systems to vote
13 on approving or amending such rules, a copy of the proposed rules or amendments shall be filed
14 with the joint committee on public employee retirement.

15 3. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
16 is created under the authority delegated in this section shall become effective only if it complies
17 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section
18 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers
19 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the
20 effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the
21 grant of rulemaking authority and any rule proposed or adopted after August 28, 2001, shall be
22 invalid and void.

169.600. As used in sections 169.600 to 169.710, unless the context clearly requires
2 otherwise, the following words and phrases mean:

3 (1) "Accumulated contributions", the sum of the annual contributions a member has
4 made to the retirement system through deductions from the member's salary, plus interest
5 compounded annually on each year's contributions from the end of the school year during which
6 such contributions were made;

7 (2) "Average compensation", as used in subdivision (3) of subsection 1 of section
8 169.670, shall be the total compensation paid to a member for any ten consecutive years of
9 creditable service, or for the entire period of creditable service if less than ten years, prior to July
10 1, 1973, divided by one hundred twenty or by the number of months in the member's period of
11 creditable service if less than ten years; provided, that in determining the total compensation, any
12 annual compensation entering into the total shall not be less than one thousand two hundred
13 dollars and shall not exceed ten thousand dollars;

14 (3) "Board", the board of trustees provided for in section 169.020;

15 (4) "Creditable service", prior service or membership service or the sum of the two if the

16 member has both to the member's credit;

17 (5) "Employee", any person regularly employed by a public school district, junior college
18 district or by the board of trustees, as defined in sections 169.600 to 169.710, who devotes at
19 least twenty hours per week to such employment in a position which is not covered by the public
20 school retirement system of Missouri; provided, however, that no person shall be required to
21 contribute to, or shall receive benefits from both the retirement system herein established and the
22 public school retirement system of Missouri for the same services;

23 (6) "Employer", the district or other employer that makes payment directly to the
24 employee for the employee's services;

25 (7) "Final average salary", the total compensation paid to a member for any three
26 consecutive years of creditable service divided by thirty-six; provided, that in determining the
27 total compensation, any annual compensation less than one thousand two hundred dollars shall
28 be regarded as one thousand two hundred dollars and an annual compensation for services prior
29 to July 1, 1973, in excess of ten thousand dollars shall be regarded as ten thousand dollars; and
30 provided, that the board may set a maximum percentage of increase in annual compensation from
31 one year to the next in the final average salary period;

32 (8) "Junior college district", any public junior college district organized and operated
33 pursuant to the provisions of sections 178.770 to 178.890, RSMo, which enters into an
34 agreement with the board of trustees of the retirement system to include its eligible employees
35 in the system immediately upon the effective date of the agreement;

36 (9) "Member", a person who holds membership in the retirement system;

37 (10) "Membership service", service rendered by a member of the system after the system
38 becomes operative;

39 (11) "Prior service", service rendered by a member of the retirement system before the
40 system becomes operative and may include service as a teacher for which credit has not been
41 claimed from the public school retirement system of Missouri;

42 (12) "Public school district" or "district", any duly constituted public school district
43 under the authority and supervision of a duly elected district or city or town board of directors
44 or board of education, except those school districts defined in sections 169.270 and 169.410;

45 (13) "Retirement allowance", a monthly payment for life, during retirement;

46 (14) "Retirement system" or "system", the [nonteacher school] **public education**
47 employee retirement system of Missouri created by sections 169.600 to 169.710;

48 (15) "Salary", "salary rate" or "compensation" shall mean the regular remuneration which
49 is earned by a member as an employee of a district, but not including employer-paid fringe
50 benefits except the value of employer-paid medical benefits (including dental and vision) for
51 members, and not including **employer-paid medical benefits (including dental and vision) for**

52 **anyone other than the member, employer contributions to a deferred compensation plan,**
53 consideration for agreeing to [retire] **terminate employment** or other nonrecurring or unusual
54 payments that are not a part of regular remuneration. The board by its rules may further define
55 salary, salary rate and compensation in a manner consistent with this definition and with sections
56 169.600 to 169.715;

57 (16) "School year", the year from July first of one year to June thirtieth of the next year,
58 inclusive, which shall also be the fiscal year of the system.

169.610. 1. There is hereby created and established a retirement system for nonteacher
2 employees of all public school districts, as defined in sections 169.600 to 169.710, which shall
3 be a body corporate and which shall be known as "The [Nonteacher School] **Public Education**
4 **Employee Retirement System of Missouri**". The system shall, by and in its name, sue and be
5 sued, transact all its business, invest all of its funds, and hold all its cash, securities and other
6 property. The system hereby established shall begin operations on the first day of November,
7 1965.

8 2. The general administration of and the responsibility for the proper operation of this
9 retirement system and for making effective the provisions of sections 169.600 to 169.710, is
10 hereby vested in the board of trustees for the public school retirement system as established by
11 section 169.020.

12 3. Said board shall keep all funds belonging to this system separate and apart from all
13 other funds, but shall manage and administer this system in all other respects as prescribed by
14 section 169.020.

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

7 2. For each school year following the date on which the system becomes operative, each
8 and every employer of one or more persons who are members of the system shall transmit to the
9 board of trustees, in the manner and accompanied by such supporting data as the board shall
10 prescribe, twice the amount that is deductible from the pay of such employee or employees
11 during the school year. Failure or refusal to transmit such amount as required shall render the
12 person or persons responsible therefor individually liable for twice the amount so withheld. Suits
13 for the recovery of amounts for which individuals are thus rendered liable shall be instituted and
14 prosecuted by the board of trustees in the name of the retirement system. In addition to such civil
15 penalty, and not in lieu thereof, any person or persons made responsible for the remittance of

16 contributions who shall willfully and knowingly fail or refuse to transmit such contributions or
17 any part thereof to the board of trustees shall be deemed guilty of a misdemeanor and, upon
18 conviction thereof, shall be punished by a fine of not less than twenty-five dollars and not more
19 than two hundred dollars. Each day such person or persons shall so fail or refuse to transmit
20 such contributions shall be deemed a separate offense. The board of trustees may request the
21 employer to provide the information necessary to administer the system and to advise each
22 member of such member's status.

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

41 4. The board of trustees shall fix and certify to the employers the level rate of
42 contribution subject to the following:

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

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

47 (3) The board shall fix and certify to the employers the rate of contribution for a fiscal
48 year based on an actuarial valuation of the system as of a date not earlier than the last day of the
49 second prior fiscal year. Such actuarial valuation of the system shall be performed using
50 processes and actuarial assumptions that are in accordance with actuarial standards of practice
51 in effect at the time the valuation is performed, as promulgated by the actuarial standards board

52 or its successor; provided that such actuarial valuation shall be based on the entry age normal
53 actuarial cost method and an asset valuation method based on the market value of system assets
54 that may provide for smoothing of investment gains and losses, and further, that the level rate
55 of contribution shall be the total of the normal cost and a rate which shall amortize the unfunded
56 actuarial accrued liability over a period that shall not exceed thirty years from the date of the
57 valuation, subject to the limitations of this subsection; and

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

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

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

72 7. Notwithstanding any other provision of sections 169.600 to 169.715 to the contrary,
73 no legislation shall be enacted after July 1, 2003, that increases benefits provided to members
74 or retirees of the [nonteacher school] **public education** employee retirement system of Missouri
75 above that which may be funded using a rate of contribution of five percent as determined using
76 an actuarial valuation as provided in subsection 4 of this section; provided that, notwithstanding
77 the provisions of this subsection, legislation may be enacted after July 1, 2003, that provides for
78 an extension of time within which a member may make an election pursuant to subdivision (4)
79 of subsection 1 of section 169.670.

169.630. 1. All funds arising from the operation of sections 169.600 to 169.715 shall
2 belong to the retirement system created in sections 169.600 to 169.715 and shall be controlled
3 by the board of trustees and that board shall provide for the collection of these funds, see that
4 they are safely preserved, and shall permit their disbursement only for the purposes authorized
5 in sections 169.600 to 169.715. These funds are declared and shall be deemed to be the moneys
6 and funds of this retirement system and not general funds of the state and shall not be
7 commingled with any state funds or other retirement funds. Solely for the purpose of investing
8 the funds of the retirement system, the funds may be combined with the funds of the public

9 school retirement system of Missouri, but the funds of each system shall be accounted for
10 separately and for all other purposes shall be separate.

11 2. The board shall invest all funds under its control which are in excess of a safe
12 operating balance. The investment shall be made only in securities authorized and pursuant to
13 the same standards set for investment by section 169.040.

14 3. No investment transaction authorized by the board shall be handled by any company
15 or firm in which a member of the board has an interest, nor shall any member of the board profit
16 directly or indirectly from any such investment. All investments shall be made for the account
17 of the retirement system, and any securities or other properties obtained by the board of trustees
18 may be held by a custodian in the name of the retirement system, or in the name of a nominee
19 in order to facilitate the expeditious transfer of such securities or other property. Such securities
20 or other properties which are not available in registered form may be held in bearer form or in
21 book entry form. The retirement system is further authorized to deposit, or have deposited for
22 its account, eligible securities in a central depository system or clearing corporation or in a
23 federal reserve bank under a book entry system as defined in the Uniform Commercial Code,
24 sections 400.8-102 and 400.8-108, RSMo. When such eligible securities of the retirement
25 system are so deposited with a central depository system, the securities may be merged and held
26 in the name of the nominee of such securities depository and title to such securities may be
27 transferred by bookkeeping entry on the books of such securities depository or federal reserve
28 bank without physical delivery of the certificates or documents representing such securities.

29 4. With appropriate safeguards against loss by the system in any contingency, the board
30 may designate a bank or trust company to serve as a depository of system funds and intermediary
31 in the investment of those funds and payment of system obligations.

32 5. All retirement allowances or other periodic payments paid by the board shall be paid
33 to recipients of such payments by electronic funds transfer, unless another method has been
34 determined by the board to be appropriate. Each recipient of retirement allowances or other
35 periodic payments shall designate a financial institution or other authorized payment agent and
36 provide the board information necessary for the recipient to receive electronic funds transfer
37 payments through the institution or agent designated. This subsection shall apply to retirement
38 allowances and other periodic payments first paid on or after January 1, 1998, and shall apply
39 to all retirement allowances and other periodic payments on and after January 1, 1999.

40 **6. The board of trustees may deliberate about, or make tentative or final decisions**
41 **on, investments or other financial matters in a closed meeting under chapter 610, RSMo,**
42 **if disclosure of the deliberations or decisions would jeopardize the ability to implement a**
43 **decision or to achieve investment objectives. A record of the retirement system that**
44 **discloses deliberations about, or a tentative or final decision on, investments or other**

45 **financial matters is not a public record under chapter 610, RSMo, to the extent and so long**
46 **as its disclosure would jeopardize the ability to implement a decision or to achieve**
47 **investment objectives.**

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

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

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

19 4. If a member withdraws or is refunded the member's contributions, the member shall
20 thereby forfeit any creditable service the member may have; provided, however, if such person
21 again becomes a member of the system, the member may elect prior to retirement to reinstate any
22 creditable service forfeited at the times of previous withdrawals or refunds. The reinstatement
23 shall be effected by the member paying to the retirement system, with interest, the amount of
24 accumulated contributions withdrawn by the member or refunded to the member with respect
25 to the service being reinstated. A member may reinstate less than the total service previously
26 forfeited, in accordance with rules promulgated by the board of trustees. The payment shall be
27 completed prior to termination of membership with the retirement system with interest on the
28 unpaid balance; provided, however, that if a member is retired on disability before completing
29 such payments, the balance due, with interest, shall be deducted from the member's disability
30 retirement allowance.

31 5. Any person who is an employee of any statewide nonprofit educational association
32 or organization serving the active membership of the [nonteacher school] **public education**
33 employee retirement system of Missouri and who works at least twenty hours per week on a

34 regular basis in a position which is not covered by the public school retirement system of
35 Missouri may be a member of the [nonteacher school] **public education** employee retirement
36 system of Missouri. Certificated employees of such statewide nonprofit educational association
37 or organization may not be members of the public school retirement system of Missouri unless
38 such association or organization makes separate application pursuant to subsection 4 of section
39 169.130. The contributions required to be made by the employee will be deducted from salary
40 and matched by the association or organization.

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

7 (1) The purchase shall be effected by the member paying to the retirement system the
8 amount the member would have contributed and the amount the employer would have
9 contributed had such member been an employee for the number of years for which the member
10 is electing to purchase credit, and had the member's compensation during such period been the
11 highest annual salary rate on record with the retirement system on the date of election to purchase
12 credit. The contribution rate used in determining the amount to be paid shall be the contribution
13 rate in effect on the date of election to purchase credit. **Notwithstanding the provisions of this**
14 **subsection, for all elections to purchase credit received by the retirement system on or after**
15 **January 1, 2006, the member shall receive credit based on the amount paid by the member**
16 **for such credit and received by the retirement system by the close of business on June**
17 **thirtieth of each year. In lieu of charging the member interest on such purchase of credit,**
18 **the amount to be paid by the member for any remaining credit the member has elected to**
19 **purchase but has not paid for by June thirtieth of each year shall be recalculated on the**
20 **following July first using the contribution rate in effect on that July first and the highest**
21 **salary of record for the member as of that July first. For all elections to purchase credit**
22 **received by the retirement system prior to January 1, 2006, the retirement system shall**
23 **determine the cost of such purchase using the calculation method in effect for elections to**
24 **purchase credit received by the retirement system on or after January 1, 2006, provided**
25 **that the member shall have a one-time, irrevocable option to continue to have the cost of**
26 **such purchase be determined using the calculation method in effect at the time of such**
27 **election to purchase such credit. To be effective, such option must be elected by the**
28 **member on a form approved by the retirement system and such form must be received by**
29 **the retirement system by the close of business on June 30, 2006. The retirement system**

30 reserves the right to limit the amount of credit purchased by the member in any year if the
31 amounts paid by the member in that year would exceed any applicable contribution limits
32 set forth in Section 415 of Title 26 of the United States Code;

33 (2) Membership service credit purchased pursuant to this section shall be deemed to be
34 membership service as defined in subdivision (10) of section 169.600;

35 (3) An election to purchase membership service credit pursuant to this section and
36 payment for the purchase shall be completed prior to termination of membership with the
37 retirement system with interest on the unpaid balance;

38 (4) Members may purchase membership service credit in increments of one-tenth of a
39 year, and multiple elections to purchase may be made;

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

43 2. Membership service credit shall not be allowed pursuant to this section or sections
44 169.570 and 169.577 which exceeds in length the member's membership service credit for
45 employment in a position covered by this system, and in no event may the member receive
46 membership service credit with both this system and another public retirement system for the
47 same service.

48 3. A member who was employed for at least twenty hours per week on a regular basis
49 by a public school district, public junior college, public community college, public college, or
50 public university, either inside or outside of this state, may elect to purchase equivalent
51 membership service credit.

52 4. A member who has served in the armed forces of the United States of America and
53 who was discharged or separated from the armed forces by other than a dishonorable discharge
54 may elect to purchase membership service credit for the period of active duty service in the
55 armed forces.

56 5. Any member granted unpaid maternity or paternity leave for a period, from a position
57 covered by the retirement system, who returned to employment in such a position, may elect to
58 purchase membership service credit for the period of leave.

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

65 7. Any member who had membership service credit with the public school retirement

66 system of Missouri governed by sections 169.010 to 169.141 but which membership service
67 credit was forfeited by withdrawal or refund may elect to purchase credit for such service. The
68 public school retirement system of Missouri shall transfer to this system an amount equal to the
69 employer contributions for the forfeited service being purchased, plus interest, which shall be
70 applied to reduce the amount the member would otherwise pay for the purchase, provided that
71 the amount transferred shall not exceed one-half of the purchase cost.

72 8. A member may elect to purchase membership service credit for service rendered while
73 on leave from an employer, as defined in section 169.600, for a not-for-profit corporation or
74 agency whose primary purpose is support of education or education research if the member was
75 employed by that organization to serve twenty or more hours per week on a regular basis.

76 9. A member who was employed by a private school, private junior college, private
77 community college, private college, or private university, either inside or outside of this state,
78 for at least twenty or more hours per week on a regular basis, may elect to purchase membership
79 service credit for such service rendered.

80 **10. A member who was employed in nonfederal public employment for at least**
81 **twenty hours a week on a regular basis shall be permitted to purchase equivalent**
82 **creditable service in the retirement system for such employment subject to provisions of**
83 **this section.**

84 **11. A member who, while eighteen years of age or older, was employed in a position**
85 **covered by Social Security for at least twenty hours a week on a regular basis shall be**
86 **permitted to purchase equivalent creditable service in the retirement system for such**
87 **employment subject to provisions of this section.**

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

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

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

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

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

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

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

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

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

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

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

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

51 increase in allowances for retired members on the following January first.

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

58 4. (1) In lieu of the retirement allowance provided in subsection 1 of this section, called
59 "option 1", a member whose creditable service is twenty-five years or more or who has attained
60 age fifty-five with five or more years of creditable service may elect, in the application for
61 retirement, to receive the actuarial equivalent of the member's retirement allowance in reduced
62 monthly payments for life during retirement with the provision that:

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

69 OR

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

76 OR

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

83 OR

84 Option 5. Upon the death of the member prior to the member having received one
85 hundred twenty monthly payments of the member's reduced allowance, the remainder of the one
86 hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as

87 the member shall have nominated in the member's election of the option or in a subsequent
88 nomination. If there is no beneficiary so nominated who survives the member for the remainder
89 of the one hundred twenty monthly payments, the reserve for the remainder of such one hundred
90 twenty monthly payments shall be paid to the estate of the last person to receive a monthly
91 allowance. **If the total of the one hundred twenty payments paid to the retired individual
92 and the beneficiary of the retired individual is less than the total of the member's
93 accumulated contributions, the difference shall be paid to the beneficiary in a lump sum;**

94 OR

95 Option 6. Upon the death of the member prior to the member having received sixty
96 monthly payments of the member's reduced allowance, the remainder of the sixty monthly
97 payments of the reduced allowance shall be paid to such beneficiary as the member shall have
98 nominated in the member's election of the option or in a subsequent nomination. If there is no
99 beneficiary so nominated who survives the member for the remainder of the sixty monthly
100 payments, the reserve for the remainder of such sixty monthly payments shall be paid to the
101 estate of the last person to receive a monthly allowance. **If the total of the sixty payments paid
102 to the retired individual and the beneficiary of the retired individual is less than the total
103 of the member's accumulated contributions, the difference shall be paid to the beneficiary
104 in a lump sum;**

105 OR

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

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

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

123 have been eligible to receive an actuarial equivalent of the member's retirement allowance, the
124 designated beneficiary may further elect to defer the option 2 payments until the date the member
125 would have been eligible to receive the retirement allowance provided in subsection 1 of this
126 section.

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

135 5. If the total of the retirement **or disability** allowances paid to an individual before the
136 person's death is less than the person's accumulated contributions at the time of the person's
137 retirement, the difference shall be paid to the person's beneficiary or [to the], **if there is no**
138 **beneficiary, to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving**
139 **parents in equal shares, or (4) person's estate in that order of precedence**; provided, however,
140 that if an optional benefit, as provided in option 2, 3 or 4 in subsection 4, had been elected and
141 the beneficiary dies after receiving the optional benefit, then, if the total retirement allowances
142 paid to the retired individual and the individual's beneficiary are less than the total of the
143 contributions, the difference shall be paid to the **(1) surviving spouse, (2) surviving children**
144 **in equal shares, (3) surviving parents in equal shares, or (4) estate of the beneficiary, in that**
145 **order of precedence**, unless the retired individual designates a different recipient with the board
146 at or after retirement.

147 6. If a member dies before receiving a retirement allowance, the member's accumulated
148 contributions at the time of the member's death shall be paid to the member's beneficiary or, **if**
149 **there is no beneficiary, to the (1) surviving spouse, (2) surviving children in equal shares,**
150 **(3) surviving parents in equal shares, or (4) to the member's estate**[, if there be no beneficiary];
151 provided, however, that no such payment shall be made if the beneficiary elects option 2 in
152 subsection 4 of this section, unless the beneficiary dies before having received benefits pursuant
153 to that subsection equal to the accumulated contributions of the member, in which case the
154 amount of accumulated contributions in excess of the total benefits paid pursuant to that
155 subsection shall be paid to the **(1) surviving spouse, (2) surviving children in equal shares,**
156 **(3) surviving parents in equal shares, or (4) estate of the beneficiary, in that order of**
157 **precedence**.

158 7. If a member ceases to be an employee as defined in section 169.600 and certifies to

159 the board of trustees that such cessation is permanent or if the person's membership is otherwise
160 terminated, the person shall be paid the person's accumulated contributions with interest.

161 8. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, if a
162 member ceases to be an employee as defined in section 169.600 after acquiring five or more
163 years of creditable service, the member may, at the option of the member, leave the member's
164 contributions with the retirement system and claim a retirement allowance any time after the
165 member reaches the minimum age for voluntary retirement. When the member's claim is
166 presented to the board, the member shall be granted an allowance as provided in sections
167 169.600 to 169.715 on the basis of the member's age and years of service.

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

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

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

178 12. Notwithstanding any other provision of law, any person retired prior to August 14,
179 1984, who is receiving a reduced retirement allowance under option 1 or 2 of subsection 4 of this
180 section, as the option existed prior to August 14, 1984, and whose beneficiary nominated to
181 receive continued retirement allowance payments under the elected option dies or has died, shall
182 upon application to the board of trustees have the person's retirement allowance increased to the
183 amount the person would have been receiving had the person not elected the option, actuarially
184 adjusted to recognize any excessive benefits which would have been paid to the person up to the
185 time of the application.

186 13. Benefits paid pursuant to the provisions of the [nonteacher school] **public education**
187 employee retirement system of Missouri shall not exceed the limitations of Section 415 of Title
188 26 of the United States Code, **except as provided under this subsection. Notwithstanding**
189 **any other law, the board of trustees may establish a benefit plan under Section 415(m) of**
190 **Title 26 of the United States Code. Such plan shall be credited solely for the purpose**
191 **described in Section 415(m)(3)(A) of Title 26 of the United States Code. The board of**
192 **trustees may promulgate regulations necessary to implement the provisions of this**
193 **subsection and to create and administer such benefit plan.**

194 14. Any member who has retired prior to July 1, 1999, and the designated beneficiary

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

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

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

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

11 2. A member entitled to make an election pursuant to this section may elect to receive
12 a lump sum distribution in addition to the member's monthly retirement allowance payment
13 pursuant to section 169.670 as reduced pursuant to this section. Such member may elect the

14 amount of the member's lump sum distribution from one, but not more than one, of the following
15 options:

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

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

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

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

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

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

169.676. 1. If a member dies before service retirement and is not survived by a

2 beneficiary under a valid beneficiary designation filed with the retirement system or all
3 designated beneficiaries have disclaimed the right to receive benefits from the retirement
4 system, the following individuals shall be deemed to be the member's designated
5 beneficiaries, in the following order of precedence, for the purpose of making an election
6 and receiving benefits under paragraph (a) or (b) of subdivision (2) of subsection 4 of
7 section 169.670:

- 8 (1) Surviving spouse at the time of the member's death;
- 9 (2) Surviving children, share and share alike;
- 10 (3) Surviving parents, share and share alike;
- 11 (4) Estate.

12 2. The member's most recent valid designation of a beneficiary received by the
13 retirement system prior to the member's death revokes all previous designations in their
14 entirety. The member's marriage, divorce, withdrawal of accumulated contributions, or
15 the birth of the member's child, or the member's adoption of a child, shall result in an
16 automatic revocation of the member's previous designation in its entirety upon the
17 retirement system receiving actual notice of such event before or after the member's death
18 and prior to any payments being made under the provisions of this chapter. This section
19 applies to all beneficiary designations filed with the retirement system before or after the
20 enactment of this section under which payments have not been made under this chapter.
21 This section shall not apply to the member's designation of a beneficiary to receive a
22 monthly benefit upon the death of the member under subdivision (1) of subsection 4 of
23 section 169.670.

169.712. 1. Notwithstanding any provision of law to the contrary, any person duly
2 certificated under the law governing the certification of teachers in Missouri who, after August
3 28, 1997, is first employed in a position which would otherwise qualify the person for
4 membership in the [nonteacher school] **public education** 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 receive
7 creditable service on a pro rata basis in that system for subsequent certificated services which
8 would otherwise have been creditable in the [nonteacher school] **public education** employee
9 retirement system. Any such person shall have the option of being a member of the [nonteacher
10 school] **public education** 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 such
12 employment following August 28, 1997.

13 2. Notwithstanding any provision of law to the contrary, any person duly certificated
14 under the law governing the certification of teachers in Missouri who, on or after August 28,

15 2003, is employed by a public school, as defined in section 169.010, for at least seventeen but
16 less than twenty hours per week on a regular basis shall be a member of the public school
17 retirement system pursuant to the provisions of sections 169.010 to 169.141, and shall receive
18 creditable service on a pro rata basis in that system. Any such person shall have the option of
19 being a member of the [nonteacher school] **public education** employee retirement system. The
20 option election must be filed with the board of trustees of the public school retirement system
21 within ninety days of first such employment or within ninety days of August 28, 2003, whichever
22 later occurs.

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

[169.555. Notwithstanding the provisions of section 169.030 and 169.620
2 to the contrary, the board of trustees shall have the authority to fix and certify to
3 employers the level rate of contribution for a fiscal year no later than six months
4 prior to the date such rate is to be effective, subject to the following:

5 (1) The level rate of contribution for the system created by sections
6 169.010 to 169.141 shall not exceed the level rate of contribution for the prior
7 fiscal year by more than one-half percent;

8 (2) The level rate of contribution for the system created by sections
9 169.600 to 169.715 shall not exceed the level rate of contribution for the prior
10 fiscal year by more than one-quarter percent;

11 (3) The contribution rate shall be based on an actuarial valuation as of a
12 date not earlier than the last day of the second prior fiscal year. Such actuarial
13 valuation shall be performed using processes and actuarial assumptions that are
14 in accordance with the actuarial standards of practice in effect at the time the
15 valuation is performed, as promulgated by the actuarial standards board or its
16 successor; provided that such actuarial valuation shall be based on the entry age
17 normal actuarial cost method and an asset valuation method based on the market
18 value of system assets that may provide for smoothing of investment gains and
19 losses, and further, that the level rate of contribution shall be the total of the
20 normal cost and a rate which shall amortize the unfunded actuarial accrued
21 liability over a period that shall not exceed thirty years from the date of the
22 valuation, subject to the limitations of this subsection;

23 (4) Not less than once every ten years the board shall have an actuary,
24 other than the actuary performing the actuarial valuation pursuant to this section,

25 review such actuarial valuation and perform an additional actuarial valuation of
26 the system;
27 (5) Notwithstanding the provisions of subdivisions (3) to (8) of
28 subsection 1 of section 169.070 and subdivision (4) of subsection 1 of section
29 169.670 to the contrary, no legislation shall be enacted after July 1, 2003, that
30 increases benefits provided to members or retirees of the systems created by
31 sections 169.010 to 169.141 or 169.600 contribution rate in effect on July 1,
32 2003.]