

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 443
93RD GENERAL ASSEMBLY

Reported from the Committee on Education, April 13, 2005, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

1204S.04C

TERRY L. SPIELER, Secretary.

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169.561, 169.569, 169.600, 169.610, 169.620, 169.630, 169.650, 3 169.655, 169.670, 169.673, and 169.712, RSMo, are repealed and twenty-two new sections 4 enacted in lieu thereof, to be known as sections 169.010, 169.020, 169.040, 169.056, 5 169.070, 169.073, 169.075, 169.076, 169.140, 169.560, 169.561, 169.569, 169.600, 169.610, 6 169.620, 169.630, 169.650, 169.655, 169.670, 169.673, 169.676, and 169.712, to read as 7 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 3 meanings:

4 (1) "Accumulated contributions" shall mean the sum of the annual contributions 5 a member has made to the retirement system through deductions from the member's 6 salary, plus interest compounded annually on each year's contributions from the end of 7 the school year during which such contributions were made;

8 (2) "Board" shall mean the board of trustees provided for in sections 169.010 to 9 169.130;

10 (3) "Creditable service" shall mean prior service or membership service, or the

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

11 sum of the two, if the member has both to the member's credit;

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

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

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

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

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

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

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

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

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

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

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

45 (15) "Salary", "salary rate" or "compensation" shall mean the regular
46 remuneration, including any payments made pursuant to sections 168.500 to 168.515,

47 RSMo, which is earned by a member as an employee of a district, but not including
48 employer-paid fringe benefits except the value of employer-paid medical benefits
49 (including dental and vision) for members, and not including **employer-paid medical**
50 **benefits (including dental and vision) for anyone other than the member,**
51 **employer contributions to any deferred compensation plan,** consideration for
52 agreeing to [retire] **terminate employment** or other nonrecurring or unusual payments
53 that are not a part of regular remuneration. The board by its rules may further define
54 salary, salary rate and compensation in a manner consistent with this definition and
55 with sections 169.010 to 169.141;

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

58 (17) "Teacher" shall mean any person who shall be employed by any public
59 school, on a full-time basis and who shall be duly certificated under the law governing
60 the certification of teachers; any person employed in the state department of elementary
61 and secondary education or by the state board of education on a full-time basis who shall
62 be duly certificated under the law governing the certification of teachers and who did not
63 become a member of the Missouri state employees' retirement system pursuant to section
64 104.342, RSMo; and persons employed by the board of trustees of the public school
65 retirement system of Missouri on a full-time basis who shall be duly certified under the
66 law governing the certification of teachers. The term "teacher" shall be synonymous with
67 the term "employee" as defined in this section.

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

16 next following the date upon which sections 169.010 to 169.130 shall take effect.

17 2. The general administration and the responsibility for the proper operation of
18 the retirement system and for making effective the provisions of sections 169.010 to
19 169.141 are hereby vested in a board of trustees of seven persons as follows: four
20 persons to be elected as trustees by the members and retired members of the public
21 school retirement system created by sections 169.010 to 169.141 and the [nonteacher
22 school] **public education** employee retirement system created by sections 169.600 to
23 169.715; and three members appointed by the governor with the advice and consent of
24 the senate. The first member appointed by the governor shall replace the commissioner
25 of education for a term beginning August 28, 1998. The other two members shall be
26 appointed by the governor at the time each member's, who was appointed by the state
27 board of education, term expires.

28 3. Trustees appointed and elected shall be chosen for terms of four years from the
29 first day of July next following their appointment or election, except that one of the
30 elected trustees shall be a member of the [nonteacher school] **public education**
31 employee retirement system and shall be initially elected for a term of three years from
32 July 1, 1991. The initial term of one other elected trustee shall commence on July 1,
33 1992.

34 4. Trustees appointed by the governor shall be residents of school districts
35 included in the retirement system, but not employees of such districts or a state
36 employee or a state elected official. At least one trustee so appointed shall be a retired
37 member of the public school retirement system or the [nonteacher school] **public**
38 **education** employee retirement system. Three elected trustees shall be members of the
39 public school retirement system and one elected trustee shall be a member of the
40 [nonteacher school] **public education** employee retirement system.

41 5. The elections of the trustees shall be arranged for, managed and conducted by
42 the 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
46 shall be reimbursed for expenses necessarily incurred through service on the board of
47 trustees.

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

52 shall be filed in the office of secretary of state of this state.

53 9. Each trustee shall be entitled to one vote in the board of trustees. Four votes
54 shall be necessary for a decision by the trustees at any meeting of the board of
55 trustees. Unless otherwise expressly provided herein, a meeting need not be called or
56 held to make any decision on a matter before the board. Each member must be sent by
57 the executive director a copy of the matter to be decided with full information from the
58 files of the board of trustees. The unanimous decision of four trustees may decide the
59 issue by signing a document declaring their decision and sending such written
60 instrument to the executive director of the board, provided that no other member of the
61 board of trustees shall send a dissenting decision to the executive director of the board
62 within fifteen days after such document and information was mailed to the trustee. If
63 any member is not in agreement with four members the matter is to be passed on at a
64 regular board meeting or a special meeting called for the purpose.

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

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

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

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

83 14. Subject to the limitations of sections 169.010 to 169.141 and 169.600 to
84 169.715, the board of trustees shall formulate and adopt rules and regulations for the
85 government of its own proceedings and for the administration of the retirement system.

86 15. The board of trustees shall determine and decide all questions of doubt as to
87 what constitutes employment within the meaning of sections 169.010 to 169.141 and

88 169.600 to 169.715, the amount of benefits to be paid to members, retired members,
89 beneficiaries and survivors and the amount of contributions to be paid by employer and
90 employee. The executive director shall notify by [registered] **certified** mail both
91 employer and member, retired member, beneficiary or survivor interested in such
92 determination. Any member, retired member, beneficiary or survivor, district or
93 employer adversely affected by such determination, at any time within thirty days after
94 being notified of such determination, may appeal to the circuit court of Cole
95 County. Such appeal shall be tried and determined anew in the circuit court and such
96 court shall hear and consider any and all competent testimony relative to the issues in
97 the case, which may be offered by either party thereto. The circuit court shall determine
98 the rights of the parties under sections 169.010 to 169.141 and 169.600 to 169.715 using
99 the same standard provided in section 536.150, RSMo, and the judgment or order of such
100 circuit court shall be binding upon the parties and the board shall carry out such
101 judgment or order unless an appeal is taken from such decision of the circuit
102 court. Appeals may be had from the circuit court by the employer, member, retired
103 member, beneficiary, survivor or the board, in the manner provided by the civil code.

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

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

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

123 19. The headquarters of the retirement system shall be in Jefferson City, where

124 suitable office space, utilities and other services and equipment necessary for the
125 operation of the system shall be provided by the board of trustees and all costs shall be
126 paid from funds of the system. All suits in which the board of trustees, the board's
127 members or employees or the retirement system established by sections 169.010 to
128 169.141 or 169.600 to 169.715 are parties shall be brought in Cole County.

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

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

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

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

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

9 2. The board shall invest all funds under its control which are in excess of a safe
10 operating balance. The funds shall be invested only in those investments which a
11 prudent person acting in a like capacity and familiar with these matters would use in
12 the conduct of an enterprise of a like character and with like aims, as provided in section
13 105.688, RSMo. The board of trustees may delegate to duly appointed investment
14 counselors authority to act in place of the board in the investment and reinvestment of
15 all or part of the moneys of the system, and may also delegate to such counselors the
16 authority to act in place of the board in the holding, purchasing, selling, assigning,

17 transferring or disposing of any or all of the securities and investments in which such
18 moneys shall have been invested, as well as the proceeds of such investments and such
19 moneys. Such investment counselors shall be registered as investment advisors with the
20 United States Securities and Exchange Commission. In exercising or delegating its
21 investment powers and authority, members of the board shall exercise ordinary business
22 care and prudence under the facts and circumstances prevailing at the time of the action
23 or decision. No member of the board shall be liable for any action taken or omitted with
24 respect to the exercise of, or delegation of, these powers and authority if such member
25 shall have discharged the duties of his or her position in good faith and with that degree
26 of diligence, care and skill which a prudent person acting in a like capacity and familiar
27 with these matters would use in the conduct of an enterprise of a like character and with
28 like aims.

29 3. No investment transaction authorized by the board shall be handled by any
30 company or firm in which a member of the board has an interest, nor shall any member
31 of the board profit directly or indirectly from any such investment. All investments shall
32 be made for the account of the retirement system, and any securities or other properties
33 obtained by the board of trustees may be held by a custodian in the name of the
34 retirement system, or in the name of a nominee in order to facilitate the expeditious
35 transfer of such securities or other property. Such securities or other properties which
36 are not available in registered form may be held in bearer form or in book entry
37 form. The retirement system is further authorized to deposit, or have deposited for its
38 account, eligible securities in a central depository system or clearing corporation or in
39 a federal reserve bank under a book entry system as defined in the Uniform Commercial
40 Code, sections 400.8-102 and 400.8-109, RSMo. When such eligible securities of the
41 retirement system are so deposited with a central depository system they may be merged
42 and held in the name of the nominee of such securities depository and title to such
43 securities may be transferred by bookkeeping entry on the books of such securities
44 depository or federal reserve bank without physical delivery of the certificates or
45 documents representing such securities.

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

50 5. All retirement allowances or other periodic payments paid by the board shall
51 be paid to recipients of such payments by electronic funds transfer, unless another
52 method has been determined by the board to be appropriate. Each recipient of

53 retirement allowances or other periodic payments shall designate a financial institution
54 or other authorized payment agent and provide the board information necessary for the
55 recipient to receive electronic funds transfer payments through the institution or agent
56 designated. This subsection shall apply to retirement allowances and other periodic
57 payments first paid on or after January 1, 1998, and shall apply to all retirement
58 allowances and other periodic payments on and after January 1, 1999.

59 **6. The board of trustees may deliberate about, or make tentative or**
60 **final decisions on, investments or other financial matters in a closed meeting**
61 **under chapter 610, RSMo, if disclosure of the deliberations or decisions would**
62 **jeopardize the ability to implement a decision or to achieve investment**
63 **objectives. A record of the retirement system that discloses deliberations**
64 **about, or a tentative decision on, investments or other financial matters is not**
65 **a public record under chapter 610, RSMo, to the extent and so long as its**
66 **disclosure would jeopardize the ability to implement a decision or to achieve**
67 **investment objectives.**

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

7 (1) The purchase shall be effected by the member paying to the retirement system
8 the amount the member would have contributed and the amount the employer would
9 have contributed had such member been an employee for the number of years for which
10 the member is electing to purchase credit, and had the member's compensation during
11 such period been the highest annual salary rate on record with the retirement system
12 on the date of election to purchase credit. For purposes of this section, "annual salary
13 rate" means the annual salary rate for full-time service for the position of
14 employment. The contribution rate used in determining the amount to be paid shall be
15 the contribution rate in effect on the date of election to purchase
16 credit. **Notwithstanding the provisions of this subsection, for all elections to**
17 **purchase credit received by the retirement system on or after January 1,**
18 **2006, the member shall receive credit based on the amount paid by the**
19 **member for such credit and received by the retirement system by the close**
20 **of business on June thirtieth of each year. In lieu of charging the member**
21 **interest on such purchase of credit, the amount to be paid by the member for**

22 any remaining credit the member has elected to purchase but has not paid for
23 by June thirtieth of each year shall be recalculated on the following July first
24 using the contribution rate in effect on that July first and the highest salary
25 of record for the member as of that July first. For all elections to purchase
26 credit received by the retirement system prior to January 1, 2006, the
27 retirement system shall determine the cost of such purchase using the
28 calculation method in effect for elections to purchase credit received by the
29 retirement system on or after January 1, 2006, provided that the member shall
30 have a one-time, irrevocable option to continue to have the cost of such
31 purchase be determined using the calculation method in effect at the time of
32 such election to purchase such credit. To be effective, such option must be
33 elected by the member on a form approved by the retirement system and such
34 form must be received by the retirement system by the close of business on
35 June 30, 2006. The retirement system reserves the right to limit the amount
36 of credit purchased by the member in any year if the amounts paid by the
37 member in that year would exceed any applicable contribution limits set forth
38 in Section 415 of Title 26 of the United States Code;

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

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

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

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

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

55 3. A member who was employed for at least twenty hours per week on a regular
56 basis by a public school district, public junior college, public community college, public
57 college, or public university, either inside or outside of this state, may elect to purchase

58 equivalent membership service credit.

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

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

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

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

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

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

91 **10. A member who was employed in nonfederal public employment for**
92 **at least twenty hours a week on a regular basis shall be permitted to purchase**
93 **equivalent creditable service in the retirement system for such employment**

94 **subject to provisions of this section.**

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

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

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

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

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

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

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

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

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

29 (7) Between July 1, 1998, and July 1, 2008, two and two-tenths percent of the
30 member's final average salary for each year of membership service, if the member's

31 creditable service is twenty-five years or more but less than twenty-six years, and the
32 member has not attained age fifty-five;

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

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

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

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

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

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

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

58 OR

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

65 OR

66 Option 4. Upon the death of the member one-half of the reduced retirement

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

72 OR

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

85 OR

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

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

102 (a) If the member or a person retired on disability retirement dies after acquiring

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

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

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

136 5. If a member dies before receiving a retirement allowance, the member's
137 accumulated contributions at the time of the death of the member shall be paid to the
138 beneficiary of the member or, **if there is no beneficiary, to the (1) surviving**

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

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

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

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

170 9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary,
171 from October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141
172 shall be multiplied by the factor of two-thirds for any member of the system for whom
173 federal Old Age and Survivors Insurance tax is paid from state or local tax funds on
174 account of the member's employment entitling the person to membership in the

175 system. The monetary benefits for a member who elected not to exercise an option to pay
176 into the system a retroactive contribution of four percent on that part of the member's
177 annual salary rate which was in excess of four thousand eight hundred dollars but not
178 in excess of eight thousand four hundred dollars for each year of employment in a
179 position covered by this system between July 1, 1957, and July 1, 1961, as provided in
180 subsection 10 of this section as it appears in RSMo, 1969, shall be the sum of:

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

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

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

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

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

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

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

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

206 11. Any retired member of the system who was retired prior to September 1,
207 1972, or beneficiary receiving payments under option 1 or option 2 of subsection 3 of this
208 section, as such option existed prior to September 1, 1972, will be eligible to receive an
209 increase in the retirement allowance of the member of two percent for each year, or
210 major fraction of more than one-half of a year, which the retired member has been

211 retired prior to July 1, 1975. This increased amount shall be payable commencing with
212 January, 1976, and shall thereafter be referred to as the member's retirement
213 allowance. The increase provided for in this subsection shall not affect the retired
214 member's eligibility for compensation provided for in section 169.580 or 169.585, nor
215 shall the amount being paid pursuant to these sections be reduced because of any
216 increases provided for in this section.

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

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

245 14. Any application for retirement shall include a sworn statement by the
246 member certifying that the spouse of the member at the time the application was

247 completed was aware of the application and the plan of retirement elected in the
248 application.

249 15. Notwithstanding any other provision of law, any person retired prior to
250 September 28, 1983, who is receiving a reduced retirement allowance under option 1 or
251 option 2 of subsection 3 of this section, as such option existed prior to September 28,
252 1983, and whose beneficiary nominated to receive continued retirement allowance
253 payments under the elected option dies or has died, shall upon application to the board
254 of trustees have his or her retirement allowance increased to the amount he or she would
255 have been receiving had the option not been elected, actuarially adjusted to recognize
256 any excessive benefits which would have been paid to him or her up to the time of
257 application.

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

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

283 169.010 to 169.141 based on the person's years of service less than the following
284 amounts:

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

289 18. Notwithstanding any other provisions of law to the contrary, any person
290 retired prior to May 26, 1994, and any designated beneficiary of such a retired member
291 who was deceased prior to July 1, 1999, shall be made, constituted, appointed and
292 employed by the board as a special consultant on the matters of education, retirement
293 or aging and upon request shall give written or oral opinions to the board in response
294 to such requests. Beginning September 1, 1996, as compensation for such service, the
295 member shall have added, pursuant to this subsection, to the member's monthly annuity
296 as provided by this section a dollar amount equal to the lesser of sixty dollars or the
297 product of two dollars multiplied by the member's number of years of creditable
298 service. Beginning September 1, 1999, the designated beneficiary of the deceased
299 member shall as compensation for such service have added, pursuant to this subsection,
300 to the monthly annuity as provided by this section a dollar amount equal to the lesser
301 of sixty dollars or the product of two dollars multiplied by the member's number of years
302 of creditable service. The total compensation provided by this section including the
303 compensation provided by this subsection shall be used in calculating any future
304 cost-of-living adjustments provided by subsection 12 of this section.

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

314 20. Any member who has retired shall be made, constituted, appointed and
315 employed by the board as a special consultant on the matters of education, retirement
316 and aging, and upon request shall give written or oral opinions to the board in response
317 to such request. As compensation for such duties, the [person] **beneficiary of the**
318 **retired member, or, if there is no beneficiary, the (1) surviving spouse, (2)**

319 **surviving children in equal shares, (3) surviving parents in equal shares, or**
320 **(4) estate of the retired member, in that order of precedence,** shall receive as
321 a part of compensation for these duties a death benefit of five thousand dollars.

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

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

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

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

8 application for retirement.

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

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

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

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

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

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

40 5. Benefits paid pursuant to this section, in addition to all other provisions of the
41 public school retirement system of Missouri, shall not exceed the limitations of Section
42 415 of Title 26 of the United States Code except as provided in subsection 16 of section
43 169.070.

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

2. Upon an election pursuant to subsection 1 of this section, a surviving spouse sixty years of age, or upon attainment of age sixty, or a surviving spouse who has been totally and permanently disabled for not less than five years immediately preceding the death of a member if designated as the sole beneficiary, and if married to the member at least three years, and if living with such member at the time of the member's death, shall be entitled to a monthly payment equal to twenty percent of one-twelfth of the annual salary rate on which the member contributed for the member's last full year of creditable service as a teacher in a district included in the retirement system until death or recovery prior to age sixty from the disability which qualified the spouse for the benefit, whichever first occurs; provided that the monthly payment shall not be less than five hundred seventy-five dollars or more than eight hundred sixty dollars. A surviving spouse, who is eligible for benefits pursuant to this subsection and also pursuant to subsection 3 of this section may receive benefits only pursuant to subsection 3 of this section as long as the surviving spouse remains eligible pursuant to both subsections, but shall not be disqualified for the benefit provided in this subsection because the surviving spouse may have received payments pursuant to subsection 3 of this section. Beginning August 28, 2001, a surviving spouse who otherwise meets the requirements of this subsection but who remarried prior to August 28, 1995, shall be entitled, upon an election pursuant to subsection 1 of this section, to any remaining benefits that would otherwise have been received had the surviving spouse not remarried before the change in law permitting remarried surviving spouses to continue receiving benefits. Such surviving spouses may, upon application, become special consultants whose benefit will be to receive the remaining benefits described in this subsection. No benefit shall be paid to such surviving spouse unless he or she files a valid application for such benefit with the retirement system postmarked on or before June 30, 2002. In no event shall any retroactive benefits be paid.

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

64 4. Upon an election pursuant to subsection 1 of this section if the designated
65 beneficiary is a dependent unmarried child as defined in this section or automatically
66 upon the death of a surviving spouse receiving benefits pursuant to subsection 3 of this
67 section, each surviving dependent unmarried child, including a stepchild or adopted
68 child, of the deceased member, under eighteen years of age, or such a child under age
69 twenty-four if the child is enrolled in school on a full-time basis, shall be entitled to a
70 monthly payment equal to sixteen and two-thirds percent of one-twelfth of the annual
71 salary rate on which the member contributed for the member's last full year of creditable
72 service as a teacher in a district included in the retirement system until death, marriage,

73 adoption, or attainment of age eighteen or age twenty-four if enrolled in school on a
74 full-time basis, whichever first occurs; provided that the monthly payment shall not be
75 less than five hundred dollars or more than seven hundred twenty dollars, and provided
76 further that any child of the deceased member who is disabled before attainment of age
77 eighteen because of a physical or mental impairment which renders the child unable to
78 engage in any substantial gainful activity and which disability continues after the child
79 has attained age eighteen shall be entitled to a like monthly payment, until death,
80 marriage, adoption, or recovery from the disability, whichever first occurs; provided,
81 however, that the total of all monthly payments to the surviving dependent unmarried
82 children shall in no event exceed two thousand one hundred sixty dollars.

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

104 **6. Upon an election pursuant to subsection 1 of this section, a surviving**
105 **dependent parent of the deceased member, over sixty-five years of age or upon**
106 **attainment of age sixty-five if designated as the sole beneficiary, provided such**
107 **dependent parent was receiving at least one-half of the parent's support from such**
108 **member at the time of the member's death and provided the parent files proof of such**

109 support within two years of such death, shall be entitled to a monthly payment equal to
110 sixteen and two-thirds percent of one-twelfth of the annual salary rate on which the
111 member contributed for the member's last full year as a teacher in a district included in
112 the retirement system until death; provided that the monthly payment shall not be less
113 than five hundred dollars or more than seven hundred twenty dollars. If the other
114 parent also is a dependent, as defined in this section, the same amount shall be paid to
115 each until death.

116 [6.] 7. All else in this section to the contrary notwithstanding, a survivor may
117 not be eligible to benefit pursuant to this section because of more than one terminated
118 membership, and be it further provided that the board of trustees shall determine and
119 decide all questions of doubt as to what constitutes dependency within the meaning of
120 this section.

121 [7.] 8. The provisions added to subsection 3 of this section in 1991 are intended
122 to clarify the scope and meaning of this section as originally enacted and shall be applied
123 in all cases in which such an election has occurred or will occur.

124 [8.] 9. After July 1, 2000, all benefits payable pursuant to subsections 1 to 7 of
125 this section shall be payable to eligible current and future survivor beneficiaries in
126 accordance with this section.

127 [9.] 10. The system shall pay a monthly retirement allowance for the month in
128 which a retired member, beneficiary or survivor receiving a retirement allowance or
129 survivor benefit dies.

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

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

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

10 (2) **Surviving children eligible to receive benefits under section 169.075**

11 at the time of the member's death, share and share alike;

12 (3) Surviving children not eligible to receive benefits under section
13 169.075 at the time of the member's death, share and share alike;

14 (4) Surviving dependent parents eligible for a benefit under section
15 169.075 at the time of the member's death, share and share alike;

16 (5) Surviving parents, share and share alike;

17 (6) Estate.

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

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

169.560. Any person retired and currently receiving a retirement allowance
2 pursuant to sections 169.010 to 169.141, other than for disability, may be employed in
3 any capacity in a district included in the retirement system created by those sections on
4 either a part-time or temporary-substitute basis not to exceed a total of five hundred fifty
5 hours in any one school year, and through such employment may earn up to fifty percent
6 of the annual compensation payable under the employing district's salary schedule for

7 the position or positions filled by the retiree, given such person's level of experience and
8 education, without a discontinuance of the person's retirement allowance. If the
9 employing school district does not utilize a salary schedule, or if the position in question
10 is not subject to the employing district's salary schedule, a retiree employed in
11 accordance with the provisions of this section may earn up to fifty percent of the annual
12 compensation paid to the person or persons who last held such position or positions. If
13 the position or positions did not previously exist, the compensation limit shall be
14 determined in accordance with rules duly adopted by the board of trustees of the
15 retirement system; provided that, it shall not exceed fifty percent of the annual
16 compensation payable for the position in the employing school district that is most
17 comparable to the position filled by the retiree. In any case where a retiree fills more
18 than one position during the school year, the fifty-percent limit on permitted earning
19 shall be based solely on the annual compensation of the highest paid position occupied
20 by the retiree for at least one-fifth of the total hours worked during the year. Such a
21 person shall not contribute to the retirement system or to the [nonteacher school] **public**
22 **education** employee retirement system established by sections 169.600 to 169.715
23 because of earnings during such period of employment. If such a person is employed in
24 any capacity by such a district on a regular, full-time basis, the person shall not be
25 eligible to receive the person's retirement allowance for any month during which the
26 person is so employed and shall contribute to the retirement system.

169.561. Any person retired and currently receiving a retirement allowance from
2 either the public school retirement system of Missouri or the [nonteacher school] **public**
3 **education** employee retirement system of Missouri, other than for disability, who elects
4 to return to work in an employment capacity covered by either of the aforementioned
5 retirement systems shall undertake such service under a new membership in the
6 applicable system. The new membership for such a person shall have a vesting period
7 of one year of creditable service, after which the person shall be eligible to retire and
8 receive a second or subsequent retirement allowance for the service credit earned under
9 the new membership in accordance with the law governing such matters. Contributions
10 shall be made to the retirement system for any covered employment under the new
11 membership at the same time and in the same manner as contributions are made for
12 covered employment generally. Service credit shall be earned or may be acquired under
13 the new membership in accordance with the law governing such matters. A second or
14 subsequent membership or retirement allowance established or earned pursuant to this
15 section shall be separate from and shall not be combined with any previous membership
16 service credit or retirement allowance earned from the aforementioned retirement

17 systems. Upon termination of covered employment under a second or subsequent
18 membership, and in lieu of application for and receipt of a retirement allowance based
19 on such service, the person may withdraw from the retirement system and receive a
20 refund of the person's contributions during such membership in accordance with the law
21 governing such matters; provided that, by so doing, the person shall forfeit any
22 creditable service the person may have accrued under that membership. A person shall
23 not receive a retirement allowance from the aforementioned retirement systems for any
24 previous membership service while in covered employment under a new membership
25 established pursuant to this section, nor shall a person receive such a retirement
26 allowance in any month in which the person earns service credit under the new
27 membership.

169.569. 1. In accordance with the recommendations made pursuant to section
2 169.566, the public school retirement system of Missouri, the public school retirement
3 system of the Kansas City school district, the public school retirement system of the St.
4 Louis City school district and the [nonteacher school] **public education** employee
5 retirement system of Missouri created pursuant to this chapter shall promulgate joint
6 rules, which shall provide for the recognition of service toward retirement eligibility
7 rendered by certified and noncertified personnel under any of the four systems. Such
8 rules shall be limited to creditable service established with each system and shall in no
9 event permit any transfer of creditable service or system assets.

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

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

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

3 (1) "Accumulated contributions", the sum of the annual contributions a member
4 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
6 year during which 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
9 of creditable service, or for the entire period of creditable service if less than ten years,
10 prior to July 1, 1973, divided by one hundred twenty or by the number of months in the
11 member's period of creditable service if less than ten years; provided, that in determining
12 the total compensation, any annual compensation entering into the total shall not be less
13 than one thousand two hundred 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
16 if the member has both to the member's credit;

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

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

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

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

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

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

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

44 (12) "Public school district" or "district", any duly constituted public school
45 district under the authority and supervision of a duly elected district or city or town
46 board of directors or board of education, except those school districts defined in sections
47 169.270 and 169.410;

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

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

51 (15) "Salary", "salary rate" or "compensation" shall mean the regular
52 remuneration which is earned by a member as an employee of a district, but not
53 including employer-paid fringe benefits except the value of employer-paid medical
54 benefits (including dental and vision) for members, and not including **employer-paid**
55 **medical benefits (including dental and vision) for anyone other than the**
56 **member, employer contributions to a deferred compensation plan**, consideration
57 for agreeing to [retire] **terminate employment** or other nonrecurring or unusual
58 payments that are not a part of regular remuneration. The board by its rules may
59 further define salary, salary rate and compensation in a manner consistent with this
60 definition and with sections 169.600 to 169.715;

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

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

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

12 3. Said board shall keep all funds belonging to this system separate and apart

13 from all other funds, but shall manage and administer this system in all other respects
14 as prescribed by section 169.020.

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

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

25 3. The contributions of members of the retirement system shall be collected by
26 their employers through appropriate deductions from paychecks. The total amount
27 deducted from the paychecks of members during any school year shall equal such a
28 percent of their salary rates as may be required by the contribution rate then in
29 effect. For contribution purposes any annual salary rate less than one thousand two
30 hundred dollars shall be regarded as one thousand two hundred dollars. Contributions
31 transmitted to the retirement system before February 20, 1996, based on salary rates
32 which either included or excluded employer-paid medical benefits for members, shall be
33 deemed to have been in compliance with this section. The retirement system shall not
34 refund or adjust contributions or adjust benefit determinations with respect to any

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

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

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

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

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

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

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

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

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

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

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

15 3. No investment transaction authorized by the board shall be handled by any
16 company or firm in which a member of the board has an interest, nor shall any member
17 of the board profit directly or indirectly from any such investment. All investments shall
18 be made for the account of the retirement system, and any securities or other properties
19 obtained by the board of trustees may be held by a custodian in the name of the
20 retirement system, or in the name of a nominee in order to facilitate the expeditious

21 transfer of such securities or other property. Such securities or other properties which
22 are not available in registered form may be held in bearer form or in book entry
23 form. The retirement system is further authorized to deposit, or have deposited for its
24 account, eligible securities in a central depository system or clearing corporation or in
25 a federal reserve bank under a book entry system as defined in the Uniform Commercial
26 Code, sections 400.8-102 and 400.8-108, RSMo. When such eligible securities of the
27 retirement system are so deposited with a central depository system, the securities may
28 be merged and held in the name of the nominee of such securities depository and title
29 to such securities may be transferred by bookkeeping entry on the books of such
30 securities depository or federal reserve bank without physical delivery of the certificates
31 or documents representing such securities.

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

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

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

169.650. 1. On and after October 13, 1965, all employees as defined in section
2 169.600 of districts included in this retirement system shall be members of the system
3 by virtue of their employment, and all persons who had five years of prior service who

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

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

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

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

33 5. Any person who is an employee of any statewide nonprofit educational
34 association or organization serving the active membership of the [nonteacher school]
35 **public education** employee retirement system of Missouri and who works at least
36 twenty hours per week on a regular basis in a position which is not covered by the public
37 school retirement system of Missouri may be a member of the [nonteacher school] **public**
38 **education** employee retirement system of Missouri. Certificated employees of such
39 statewide nonprofit educational association or organization may not be members of the

40 public school retirement system of Missouri unless such association or organization
41 makes separate application pursuant to subsection 4 of section 169.130. The
42 contributions required to be made by the employee will be deducted from salary and
43 matched by the association or organization.

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

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

33 **by the close of business on June 30, 2006. The retirement system reserves the**
34 **right to limit the amount of credit purchased by the member in any year if**
35 **the amounts paid by the member in that year would exceed any applicable**
36 **contribution limits set forth in Section 415 of Title 26 of the United States**
37 **Code;**

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

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

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

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

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

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

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

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

65 6. Any member who is or was certified as a vocational-technical teacher on the
66 basis of having a college degree or who was required to have a period of work experience
67 of at least two years in the area of the subject being taught in order to qualify for such
68 certification may, upon written application to the board, purchase equivalent

69 membership service credit for such work experience which shall not exceed the two years
70 necessary for certification if the work experience was in the area that the member taught
71 or is teaching and was completed in two years.

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

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

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

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

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

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

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

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

8 year of prior service;

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

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

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

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

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

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

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

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

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

85 OR

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

92 OR

93 Option 5. Upon the death of the member prior to the member having received one
94 hundred twenty monthly payments of the member's reduced allowance, the remainder
95 of the one hundred twenty monthly payments of the reduced allowance shall be paid to
96 such beneficiary as the member shall have nominated in the member's election of the
97 option or in a subsequent nomination. If there is no beneficiary so nominated who
98 survives the member for the remainder of the one hundred twenty monthly payments,
99 the reserve for the remainder of such one hundred twenty monthly payments shall be
100 paid to the estate of the last person to receive a monthly allowance. **If the total of the**
101 **one hundred twenty payments paid to the retired individual and the**
102 **beneficiary of the retired individual is less than the total of the member's**
103 **accumulated contributions, the difference shall be paid to the beneficiary in**
104 **a lump sum;**

105 OR

106 Option 6. Upon the death of the member prior to the member having received
107 sixty monthly payments of the member's reduced allowance, the remainder of the sixty
108 monthly payments of the reduced allowance shall be paid to such beneficiary as the
109 member shall have nominated in the member's election of the option or in a subsequent
110 nomination. If there is no beneficiary so nominated who survives the member for the
111 remainder of the sixty monthly payments, the reserve for the remainder of such sixty
112 monthly payments shall be paid to the estate of the last person to receive a monthly
113 allowance. **If the total of the sixty payments paid to the retired individual and**
114 **the beneficiary of the retired individual is less than the total of the member's**
115 **accumulated contributions, the difference shall be paid to the beneficiary in**

116 **a lump sum;**

117

OR

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

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

129 (a) If the member or a person retired on disability retirement dies after attaining
130 age fifty-five and acquiring five or more years of creditable service or after acquiring
131 twenty-five or more years of creditable service and before retirement, except retirement
132 with disability benefits, and the person named by the member as the member's [primary]
133 beneficiary has an insurable interest in the life of the deceased member, the designated
134 beneficiary may elect to receive either survivorship payments under option 2 or a
135 payment of the member's accumulated contributions. If survivorship benefits under
136 option 2 are elected and the member at the time of death would have been eligible to
137 receive an actuarial equivalent of the member's retirement allowance, the designated
138 beneficiary may further elect to defer the option 2 payments until the date the member
139 would have been eligible to receive the retirement allowance provided in subsection 1 of
140 this section.

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

150 5. If the total of the retirement **or disability** allowances paid to an individual
151 before the person's death is less than the person's accumulated contributions at the time

152 of the person's retirement, the difference shall be paid to the person's beneficiary or [to
153 the], **if there is no beneficiary, to the (1) surviving spouse, (2) surviving**
154 **children in equal shares, (3) surviving parents in equal shares, or (4)** person's
155 estate **in that order of precedence**; provided, however, that if an optional benefit, as
156 provided in option 2, 3 or 4 in subsection 4, had been elected and the beneficiary dies
157 after receiving the optional benefit, then, if the total retirement allowances paid to the
158 retired individual and the individual's beneficiary are less than the total of the
159 contributions, the difference shall be paid to the **(1) surviving spouse, (2) surviving**
160 **children in equal shares, (3) surviving parents in equal shares, or (4)** estate of
161 the beneficiary, **in that order of precedence**, unless the retired individual designates
162 a different recipient with the board at or after retirement.

163 6. If a member dies before receiving a retirement allowance, the member's
164 accumulated contributions at the time of the member's death shall be paid to the
165 member's beneficiary or, **if there is no beneficiary, to the (1) surviving spouse,**
166 **(2) surviving children in equal shares, (3) surviving parents in equal shares,**
167 **or (4)** to the member's estate[, if there be no beneficiary]; provided, however, that no
168 such payment shall be made if the beneficiary elects option 2 in subsection 4 of this
169 section, unless the beneficiary dies before having received benefits pursuant to that
170 subsection equal to the accumulated contributions of the member, in which case the
171 amount of accumulated contributions in excess of the total benefits paid pursuant to that
172 subsection shall be paid to the **(1) surviving spouse, (2) surviving children in**
173 **equal shares, (3) surviving parents in equal shares, or (4)** estate of the
174 beneficiary, **in that order of precedence**.

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

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

187 9. The retirement allowance of a member retired because of disability shall be

188 nine-tenths of the allowance to which the member's creditable service would entitle the
189 member if the member's age were sixty.

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

194 11. Any application for retirement shall include a sworn statement by the
195 member certifying that the spouse of the member at the time the application was
196 completed was aware of the application and the plan of retirement elected in the
197 application.

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

207 13. Benefits paid pursuant to the provisions of the [nonteacher school] **public**
208 **education** employee retirement system of Missouri shall not exceed the limitations of
209 Section 415 of Title 26 of the United States Code, **except as provided under this**
210 **subsection. Notwithstanding any other law, the board of trustees may**
211 **establish a benefit plan under Section 415(m) of Title 26 of the United States**
212 **Code. Such plan shall be credited solely for the purpose described in Section**
213 **415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may**
214 **promulgate regulations necessary to implement the provisions of this**
215 **subsection and to create and administer such benefit plan.**

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

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

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

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

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

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

20 (2) A lump sum amount equal to twenty-four times the retirement allowance, less

21 any temporary retirement allowance payable pursuant to subdivision (5) of subsection
22 1 of section 169.670, the member would receive if no election were made pursuant to this
23 section and the member had chosen option 1 under section 169.670; or

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

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

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

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

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

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

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

14 2. Notwithstanding any provision of law to the contrary, any person duly
15 certificated under the law governing the certification of teachers in Missouri who, on or
16 after August 28, 2003, is employed by a public school, as defined in section 169.010, for
17 at least seventeen but less than twenty hours per week on a regular basis shall be a
18 member of the public school retirement system pursuant to the provisions of sections

19 169.010 to 169.141, and shall receive creditable service on a pro rata basis in that
20 system. Any such person shall have the option of being a member of the [nonteacher
21 school] **public education** employee retirement system. The option election must be
22 filed with the board of trustees of the public school retirement system within ninety days
23 of first such employment or within ninety days of August 28, 2003, whichever later
24 occurs.

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

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

7 (1) The level rate of contribution for the system created by sections
8 169.010 to 169.141 shall not exceed the level rate of contribution for the
9 prior fiscal year by more than one-half percent;

10 (2) The level rate of contribution for the system created by sections
11 169.600 to 169.715 shall not exceed the level rate of contribution for the
12 prior fiscal year by more than one-quarter percent;

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

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

25 (4) Not less than once every ten years the board shall have an
26 actuary, other than the actuary performing the actuarial valuation
27 pursuant to this section, review such actuarial valuation and perform an
28 additional actuarial valuation of the system;

29 (5) Notwithstanding the provisions of subdivisions (3) to (8) of
30 subsection 1 of section 169.070 and subdivision (4) of subsection 1 of
31 section 169.670 to the contrary, no legislation shall be enacted after July
32 1, 2003, that increases benefits provided to members or retirees of the
33 systems created by sections 169.010 to 169.141 or 169.600 contribution
34 rate in effect on July 1, 2003.]

✓