

FIRST REGULAR SESSION

HOUSE BILL NO. 1043

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE LAMPE.

Read 1st time March 1, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1966L.01I

AN ACT

To repeal sections 169.030 and 169.070, RSMo, and to enact in lieu thereof two new sections relating to teacher and school employee retirement, with a penalty provision.

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

Section A. Sections 169.030 and 169.070, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 169.030 and 169.070, to read as follows:

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

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

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

16 contributions who shall willfully and knowingly fail or refuse to transmit such contributions or
17 any part thereof to the board of trustees shall be deemed guilty of a misdemeanor and upon
18 conviction thereof shall be punished by a fine of not less than twenty-five dollars and not more
19 than two hundred dollars, and each day such person or persons shall so fail or refuse to transmit
20 such contributions shall be deemed a separate offense.

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

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

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

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

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

52 unfunded actuarial accrued liability over a period that shall not exceed thirty years from the date
53 of the valuation, subject to the limitations of this subsection; and

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

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

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

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

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

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

11

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

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

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

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

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

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

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

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

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

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

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

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

52 Option 2. Upon the member's death the reduced retirement allowance shall be continued
53 throughout the life of and paid to such person as has an insurable interest in the life of the

54 member as the member shall have nominated in the member's election of the option, and
55 provided further that if the person so nominated dies before the retired member, the retirement
56 allowance will be increased to the amount the retired member would be receiving had the retired
57 member elected option 1;

58 OR

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

65 OR

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

72 OR

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

83 OR

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

90 of the last person to receive a monthly allowance. If the total of the sixty payments paid to the
91 retired individual and the beneficiary of the retired individual is less than the total of the
92 member's accumulated contributions, the difference shall be paid to the beneficiary in a lump
93 sum.

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

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

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

117 4. If the total of the retirement or disability allowance paid to an individual before the
118 death of the individual is less than the accumulated contributions at the time of retirement, the
119 difference shall be paid to the beneficiary of the individual, or to the [(1)] surviving spouse, [(2)]
120 surviving children in equal shares, [(3)] surviving parents in equal shares, or [(4)] estate of the
121 individual in that order of precedence. If an optional benefit as provided in option 2, 3 or 4 in
122 subsection 3 of this section had been elected, and the beneficiary dies after receiving the optional
123 benefit, and if the total retirement allowance paid to the retired individual and the beneficiary of
124 the retired individual is less than the total of the contributions, the difference shall be paid to the
125 (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares,

126 or (4) estate of the beneficiary, in that order of precedence, unless the retired individual
127 designates a different recipient with the board at or after retirement.

128 5. If a member dies before receiving a retirement allowance, the member's accumulated
129 contributions at the time of the death of the member shall be paid to the beneficiary of the
130 member or, if there is no beneficiary, to the [(1)] surviving spouse, [(2)] surviving children in
131 equal shares, [(3)] surviving parents in equal shares, or [(4)] to the estate of the member in that
132 order of precedence; except that, no such payment shall be made if the beneficiary elects option
133 2 in subsection 3 of this section, unless the beneficiary dies before having received benefits
134 pursuant to that subsection equal to the accumulated contributions of the member, in which case
135 the amount of accumulated contributions in excess of the total benefits paid pursuant to that
136 subsection shall be paid to the (1) surviving spouse, (2) surviving children in equal shares, (3)
137 surviving parents in equal shares, or (4) estate of the beneficiary, in that order of precedence.

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

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

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

158 9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, from
159 October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be
160 multiplied by the factor of two-thirds for any member of the system for whom federal Old Age
161 and Survivors Insurance tax is paid from state or local tax funds on account of the member's

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

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

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

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

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

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

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

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

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

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

197 shall the amount being paid pursuant to these sections be reduced because of any increases
198 provided for in this section.

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

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

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

227 15. Notwithstanding any other provision of law, any person retired prior to September
228 28, 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of
229 subsection 3 of this section, as such option existed prior to September 28, 1983, and whose
230 beneficiary nominated to receive continued retirement allowance payments under the elected
231 option dies or has died, shall upon application to the board of trustees have his or her retirement
232 allowance increased to the amount he or she would have been receiving had the option not been

233 elected, actuarially adjusted to recognize any excessive benefits which would have been paid to
234 him or her up to the time of application.

235 16. Benefits paid pursuant to the provisions of the public school retirement system of
236 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code
237 except as provided pursuant to this subsection. Notwithstanding any other law to the contrary,
238 the board of trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the
239 United States Code. Such plan shall be created solely for the purpose described in Section
240 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may promulgate
241 regulations necessary to implement the provisions of this subsection and to create and administer
242 such benefit plan.

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

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

264 18. Notwithstanding any other provisions of law to the contrary, any person retired prior
265 to May 26, 1994, and any designated beneficiary of such a retired member who was deceased
266 prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a
267 special consultant on the matters of education, retirement or aging and upon request shall give
268 written or oral opinions to the board in response to such requests. Beginning September 1, 1996,

269 as compensation for such service, the member shall have added, pursuant to this subsection, to
270 the member's monthly annuity as provided by this section a dollar amount equal to the lesser of
271 sixty dollars or the product of two dollars multiplied by the member's number of years of
272 creditable service. Beginning September 1, 1999, the designated beneficiary of the deceased
273 member shall as compensation for such service have added, pursuant to this subsection, to the
274 monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars
275 or the product of two dollars multiplied by the member's number of years of creditable service.
276 The total compensation provided by this section including the compensation provided by this
277 subsection shall be used in calculating any future cost-of-living adjustments provided by
278 subsection 12 of this section.

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

287 20. Any member who has retired shall be made, constituted, appointed and employed
288 by the board as a special consultant on the matters of education, retirement and aging, and upon
289 request shall give written or oral opinions to the board in response to such request. As
290 compensation for such duties, the beneficiary of the retired member, or, if there is no beneficiary,
291 the [(1)] surviving spouse, [(2)] surviving children in equal shares, [(3)] surviving parents in
292 equal shares, or [(4)] estate of the retired member, in that order of precedence, shall receive as
293 a part of compensation for these duties a death benefit of five thousand dollars.
294 **Notwithstanding any provision of law, the five thousand dollars received under this**
295 **subsection shall not be subject to taxation.**

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

303 22. Any member who has retired prior to July 1, 2000, and the designated beneficiary
304 of a deceased retired member shall be made, constituted, appointed and employed by the board

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

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

✓