

FIRST REGULAR SESSION

HOUSE BILL NO. 661

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES MOORE (Sponsor), AULL, DAY, BIVINS, McGHEE, WETER, MEADOWS, SATER, DIXON, LAMPE, WHORTON, BROWN (50), SCHAD, ROBB, KUESSNER, HARRIS (110), SHIVELY, ROBINSON, HODGES, SWINGER, FRAME, CORCORAN, BAKER (25), HOLSMAN, GRILL, POLLOCK, PRATT, BRUNS, COOPER (120), TILLEY, NOLTE, MUNZLINGER, SCHAAF, ONDER, COX, KINGERY, CUNNINGHAM (145), MAY, DUSENBERG, STREAM AND LeVOTA (Co-sponsors).

Read 1st time January 30, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

0768L.02I

AN ACT

To repeal sections 169.070 and 169.670, RSMo, and to enact in lieu thereof two new sections relating to teacher retirement.

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

Section A. Sections 169.070 and 169.670, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 169.070 and 169.670, to read as follows:

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;

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.

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;

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

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

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

58 OR

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

65 OR

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

72 OR

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

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 equal
131 shares, (3) surviving parents in equal shares, or (4) to the estate of the member in that order of
132 precedence; except that, no such payment shall be made if the beneficiary elects option 2 in
133 subsection 3 of this section, unless the beneficiary dies before having received benefits pursuant
134 to that subsection equal to the accumulated contributions of the member, in which case the
135 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.

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

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

9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, from October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be multiplied by the factor of two-thirds for any member of the system for whom federal Old Age and Survivors Insurance tax is paid from state or local tax funds on account of the member's employment entitling the person to membership in the system. The monetary benefits for a member who elected not to exercise an option to pay into the system a retroactive contribution of four percent on that part of the member's annual salary rate which was in excess of four thousand eight hundred dollars but not in excess of eight thousand four hundred dollars for each year of employment in a position covered by this system between July 1, 1957, and July 1, 1961, as provided in subsection 10 of this section as it appears in RSMo, 1969, shall be the sum of:

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

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

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

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

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

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

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

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

189 11. Any retired member of the system who was retired prior to September 1, 1972, or
190 beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such
191 option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement
192 allowance of the member of two percent for each year, or major fraction of more than one-half
193 of a year, which the retired member has been retired prior to July 1, 1975. This increased amount
194 shall be payable commencing with January, 1976, and shall thereafter be referred to as the
195 member's retirement allowance. The increase provided for in this subsection shall not affect the
196 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 January first following the member's
205 retirement or January 1, 1977, whichever later occurs, or in the case of any member retiring on
206 or after July 1, 2000, the increase provided for in this subsection shall not become effective until
207 the third January first following the member's retirement, or in the case of any member retiring
208 on or after July 1, 2001, the increase provided for in this subsection shall not become effective
209 until the second January first following the member's retirement. Commencing with January 1,

210 1992, if the board of trustees determines that the cost of living has increased five percent or more
211 in the preceding fiscal year, the board shall increase the retirement allowances by five percent.
212 The total of the increases granted to a retired member or the beneficiary after December 31,
213 1976, may not exceed eighty percent of the retirement allowance established at retirement or as
214 previously adjusted by other subsections. If the cost of living increases less than five percent,
215 the board of trustees may determine the percentage of increase to be made in retirement
216 allowances, but at no time can the increase exceed five percent per year. If the cost of living
217 decreases in a fiscal year, there will be no increase in allowances for retired members on the
218 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.

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

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

18. Notwithstanding any other provisions of law to the contrary, any person retired prior to May 26, 1994, and any designated beneficiary of such a retired member who was deceased prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement or aging and upon request shall give written or oral opinions to the board in response to such requests. Beginning September 1, 1996, as compensation for such service, the member shall have added, pursuant to this subsection, to the member's monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars or the product of two dollars multiplied by the member's number of years of creditable service. Beginning September 1, 1999, the designated beneficiary of the deceased member shall as compensation for such service have added, pursuant to this subsection, to the monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars or the product of two dollars multiplied by the member's number of years of creditable service. 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 equal
292 shares, or (4) estate of the retired member, in that order of precedence, shall receive as a part of
293 compensation for these duties a death benefit of five thousand dollars.

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

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

309 23. Any member who has retired prior to July 1, 2001, and the designated beneficiary
310 of a deceased retired member shall be made, constituted, appointed and employed by the board

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

317 **24. Notwithstanding the provisions of subsection 6 of section 169.030 to the**
318 **contrary, any member who has retired and attained the age of seventy-five and above prior**
319 **to January 1, 2008, shall be made, constituted, and employed by the board as a special**
320 **consultant on the matters of education, retirement, and aging, and upon request shall give**
321 **written or oral opinions to the board in response to such requests. As compensation for**
322 **such duties, beginning January 1, 2008, and through January 1, 2013, the member shall**
323 **receive an amount equal to eight dollars per month multiplied by years of service which**
324 **shall be added to the member's monthly annuity.**

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

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

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

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

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

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

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

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

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

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

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

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

52 3. The board of trustees may reduce the amounts which have been granted as increases
53 to a member pursuant to subsection 2 of this section if the cost of living, as determined by the
54 board and as measured by generally accepted standards, is less than the cost of living was at the

55 time of the first increase granted to the member; provided that, the reductions shall not exceed
56 the amount of increases which have been made to the member's allowance after December 31,
57 1981.

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

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

69 OR

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

76 OR

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

83 OR

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

89 of the one hundred twenty monthly payments, the reserve for the remainder of such one hundred
90 twenty monthly payments shall be paid to the estate of the last person to receive a monthly
91 allowance. If the total of the one hundred twenty payments paid to the retired individual and the
92 beneficiary of the retired individual is less than the total of the member's accumulated
93 contributions, the difference shall be paid to the beneficiary in a lump sum;

94 OR

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

105 OR

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

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

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

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

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

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

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

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

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

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

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

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

176 12. Notwithstanding any other provision of law, any person retired prior to August 14,
177 1984, who is receiving a reduced retirement allowance under option 1 or 2 of subsection 4 of this
178 section, as the option existed prior to August 14, 1984, and whose beneficiary nominated to
179 receive continued retirement allowance payments under the elected option dies or has died, shall
180 upon application to the board of trustees have the person's retirement allowance increased to the
181 amount the person would have been receiving had the person not elected the option, actuarially
182 adjusted to recognize any excessive benefits which would have been paid to the person up to the
183 time of the application.

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

190 to implement the provisions of this subsection and to create and administer such benefit plan.

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

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

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

215 **17. Notwithstanding the provisions of subsection 6 of section 169.030 to the**
216 **contrary, any member who has retired and attained the age of seventy-five and above prior**
217 **to January 1, 2008, shall be made, constituted, and employed by the board as a special**
218 **consultant on the matters of education, retirement, and aging, and upon request shall give**
219 **written or oral opinions to the board in response to such requests. As compensation for**
220 **such duties, beginning January 1, 2008, and through January 1, 2013, the member shall**
221 **receive an amount equal to five dollars per month multiplied by years of service which**
222 **shall be added to the member's monthly annuity.**

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