

SECOND REGULAR SESSION

HOUSE BILL NO. 2430

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HOLSMAN (Sponsor), JETTON, WALSH, HUGHES, MEINERS, TILLEY, OXFORD, KINGERY, SCHIEFFER, BROWN (50), CHAPPELLE-NADAL, LOW (39), RUCKER, CASEY, DOUGHERTY, WALLACE, AULL, GRILL, PAGE, SILVEY, VILLA, WHORTON, NASHEED, DAUS, FALLERT, MUNZLINGER, FRANZ, WILSON (119), NOLTE, NANCE, LAMPE, TALBOY, SMITH (150) AND CUNNINGHAM (86) (Co-sponsors).

Read 1st time March 13, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

5478L.02I

AN ACT

To repeal sections 161.098, 163.172, 169.070, and 169.670, RSMo, and to enact in lieu thereof nine new sections relating to educational personnel compensation.

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

Section A. Sections 161.098, 163.172, 169.070, and 169.670, RSMo, are repealed and
2 nine new sections enacted in lieu thereof, to be known as sections 161.098, 163.172, 168.710,
3 168.712, 168.714, 168.716, 168.720, 169.070, and 169.670, to read as follows:
161.098. Beginning December 15, 1999, and annually by that date in each following
2 year, the state board of education shall report to the general assembly on the retention and
3 recruitment of teachers in the state's schools. The report shall include, but not be limited to,
4 information on the numbers of teachers entering and leaving employment in the public schools
5 of the state, analysis of the issues affecting teacher recruitment, including the need for identifying
6 African-American and other minority students, including males, who show potential or interest
7 in becoming a teacher, recruiting such students as prospective teachers, and methods for
8 providing financial aid to such students, and suggestions for meeting predicted needs of numbers
9 of teachers and in areas of certification. **The state board shall include information relative**
10 **to the effect of sections 168.714, 168.716, and 168.720, RSMo, upon recruitment and**
11 **retention.**

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.

163.172. 1. [In school year 1994-95 and thereafter until school year 2006-07, the minimum teacher's salary shall be eighteen thousand dollars.] Beginning in school year [2006-07, the minimum teacher's salary shall be twenty-two thousand dollars; in school year 2007-08, the minimum teacher's salary shall be twenty-three thousand dollars; in school year 2008-09, the minimum teacher's salary shall be twenty-four thousand dollars; in school year 2009-10 and thereafter, the minimum teacher's salary shall be twenty-five thousand dollars. [Beginning in the school year 1996-97 until school year 2006-07, for any full-time teacher with a master's degree and at least ten years' teaching experience in a public school or combination of public schools, the minimum salary shall be twenty-four thousand dollars. Beginning in the school year 2006-07,] For any full-time teacher with a master's degree [in an academic teaching field] and at least ten years' teaching experience in a public school or combination of public schools, the minimum salary [shall be thirty thousand dollars; in the 2007-08 school year such minimum salary shall be thirty-one thousand dollars;] in the 2008-09 school year [such minimum salary] shall be thirty-two thousand dollars; and in the 2009-10 school year such minimum salary shall be thirty-three thousand dollars.

2. Beginning with the budget requests for fiscal year 1991, the commissioner of education shall present to the appropriate committees of the general assembly information on the average Missouri teacher's salary, regional average salary data, and national average salary data.

3. All school salary information shall be public information.

4. As used in this section, the term "salary" shall be defined as the salary figure which appears on the teacher's contract and as determined by the local school district's basic salary schedule and does not include supplements for extra duties.

5. The minimum salary for any fully certificated teacher employed on a less than full-time basis by a school district, state school for the severely handicapped, the Missouri School for the Deaf, or the Missouri School for the Blind shall be prorated to reflect the amounts provided in subsection 1 of this section.

168.710. 1. Beginning in fiscal year 2010 and ending in fiscal year 2015, the general assembly shall make an annual appropriation of fifteen million dollars to be distributed to school districts for a pilot project to recognize excellence in performance by instructional personnel and school-based administrators in participating districts.

2. In order to be eligible for funding under this section, a school district board shall adopt an excellence award program plan that provides for assessment and an award based on the performance of teachers and students assigned to schools in participating districts under subsection 3 of this section. All instructional personnel and school-based administrators, as defined by the department through rule, are eligible to receive excellence awards, with the exception of substitute teachers. In order to receive an excellence award

11 under this section, instructional personnel shall be assessed on the performance of students
12 assigned to their classrooms or within their academic sphere of responsibility. The district
13 school board may not require instructional personnel or school-based administrators to
14 apply for an award, or make any presentation, in order to be assessed for or receive an
15 excellence award. The department of elementary and secondary education may not
16 distribute any portion of prorated funding to a district, if the district chooses not to adopt
17 an excellence award program plan under this section. Undistributed funds shall revert to
18 the fund from which the appropriation was made.

19 3. Assessments to be considered for the program plans may include but are not
20 limited to the following:

21 (1) The school district's assessment shall consider the performance of students
22 assigned to instructional personnel;

23 (2) A district school board shall evaluate student performance for purposes of this
24 section based upon student academic proficiency and gains in learning, as measured by
25 statewide assessment tests, or, for subjects and grades that are not measured by the
26 statewide assessment program, by national, state, or district-determined testing
27 instruments that measure the Show-Me State Standards, curriculum frameworks, or
28 course descriptions for the content area assigned and grade level taught;

29 (3) Using assessment criteria adopted by the district school board, a professional
30 practices component for the assessment of instructional personnel shall be based on the
31 principal's assessment of the instructional personnel and the assessment of school-based
32 administrators shall be based on the district superintendent's assessment of the
33 administrator. This portion of the assessment shall be weighted at up to sixty percent of
34 the overall evaluation. Performance-related assessment criteria adopted by the district
35 school board for personnel assessments by principals and superintendents shall include:

36 (a) The ability to maintain appropriate discipline;

37 (b) The outstanding knowledge of subject matter, with the ability to plan lessons
38 and deliver high-quality instruction and the high-quality use of technology in the classroom
39 if applicable;

40 (c) The ability to use diagnostic and assessment data and design and to implement
41 differentiated instructional strategies in order to meet individual student needs for
42 remediation or acceleration;

43 (d) The ability to establish and maintain a positive collaborative relationship with
44 colleagues, and students' families for the purpose of increasing student achievement;

45 (e) Any other professional competencies, responsibilities, and requirements, as
46 established by rules of the state board of education and policies of the district school board;

47 (f) For school-based administrators, in addition to paragraphs (a) to (e) of this
48 subdivision:

49 a. The ability to manage human, financial, and material resources so as to
50 maximize the share of resources used for direct instruction, as opposed to overhead or
51 other purposes; and

52 b. The ability to recruit and retain high-performing teachers; and

53 (g) Other appropriate factors identified by the district school board including
54 contributions to an improved accreditation status such as, but not limited to, the
55 percentage of students who are performing below grade level expectations who make gains
56 of an academic year or more; to the percentage of students who are performing at or above
57 grade level expectations who continue to make progress; and to any increase in the rate of
58 improvement.

59 4. In order for a district to develop a plan to participate in the excellence award
60 program, a majority vote of the certificated teachers of the district shall be required. The
61 department shall create a web-based ballot that permits a district's certificated teachers
62 to vote using a method that requires a unique identifier or other means to ensure validity.
63 The department shall report the district's results to the district.

64 5. Each district school board shall inform its employees of the criteria and
65 procedures associated with the school district's excellence award program plan. Upon
66 request, the department shall provide technical assistance to school districts for the
67 purpose of aiding the development of excellence award program plans. The department
68 shall collect and disseminate best practices for district-determined testing instruments and
69 excellence award program plans.

70 6. Award plans shall be structured to provide an award of no less than five percent
71 and no more than ten percent of the district's average teacher salary to instructional
72 personnel and school-based administrators who meet the plan requirements in each
73 participating district's schools at the elementary, middle or junior high school, and high
74 school grade ranges. Each person who qualifies for an award is required to be an
75 employee of the school district in the fiscal year during which award funds are distributed.

76 7. Review of award plans shall adhere to the following criteria:

77 (1) Each participating district school board shall submit its excellence award
78 program plan to the commissioner of education for review by October first of each year.
79 The plan shall include the district-adopted plan intended for use in the following year. The
80 commissioner shall complete a review of each plan submitted and determine compliance
81 with the requirements of this section by November fifteenth of each year. If a submitted
82 plan fails to meet the requirements of this section, the commissioner shall identify in

83 writing the specific revisions that are required. Revised plans shall be finalized and
84 resubmitted by a school district for the commissioner's review by January thirty-first of
85 each year. The commissioner shall certify qualifying plans to the governor, the president
86 of the senate, and the speaker of the house of representatives by February fifteenth of each
87 year;

88 (2) Each district school board shall establish a procedure to review both the
89 assessment and award components of its plan annually in order to determine compliance
90 with this section. After this review and by October first of each year, the district school
91 board shall submit a report to the commissioner of education, along with supporting
92 documentation that will enable the commissioner to verify the district's compliance with
93 this section during the prior school year. The commissioner shall submit a report to the
94 governor, the president of the senate, and the speaker of the house of representatives
95 certifying those school district plans that do not comply with this section or whose plans
96 were not implemented in accordance with this section by December first of each year.

97 8. Any revision to an approved excellence award program plan shall be approved
98 by the district school board and reviewed by the commissioner to determine compliance
99 with this section.

100 9. Nothing in this section shall be construed to be an element of any school district
101 salary schedule as referred to in subdivision (2) of section 168.110, nor shall any award
102 program be construed as a bonus or used in the calculation of final average salary for
103 retirement.

104 10. The joint committee on education shall review the impact of the excellence
105 award program during fiscal year 2012 and again in fiscal year 2014 and shall make
106 recommendations about the continuation of the program for legislative action prior to the
107 scheduled end of the program under subsection 10 of this section. In its review, the joint
108 committee shall consider information from all stakeholders and may issue a request for
109 proposals from any organization without an interest in the matter to conduct research that
110 it deems necessary.

111 11. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:

112 (1) The provisions of the new program authorized under this section shall
113 automatically sunset six years after the effective date of this section unless reauthorized by
114 an act of the general assembly; and

115 (2) If such program is reauthorized, the program authorized under this section
116 shall automatically sunset twelve years after the effective date of the reauthorization of this
117 section; and

118 (3) This section shall terminate on September first of the calendar year immediately
119 following the calendar year in which the program authorized under this section is sunset.

120 12. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
121 that is created under the authority delegated in this section shall become effective only if
122 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
123 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
124 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
125 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
126 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
127 adopted after August 28, 2008, shall be invalid and void.

 168.712. 1. Each certificated teacher with a base salary of sixty thousand dollars
2 or less who is employed on August 28, 2008, by a school district that meets the
3 requirements of subsection 3 of this section who has at least ten full years of experience as
4 a teacher in a Missouri school, including private and charter school experience, as of
5 August 28, 2008, shall be designated as a special consultant and shall receive, upon
6 appropriation by the general assembly of an amount designated for this purpose, a stipend
7 of five thousand dollars.

8 2. Each certificated teacher with a base salary of sixty thousand dollars or less who
9 is employed on August 28, 2008, by a school district that meets the requirements of
10 subsection 3 of this section who has at least twenty full years of experience as a teacher in
11 a Missouri school, including private and charter school experience, as of August 28, 2008,
12 shall be designated as a special consultant and shall receive, upon appropriation by the
13 general assembly of an amount designated for this purpose, a stipend of five thousand
14 dollars. A teacher who qualifies for a stipend under both subsection 1 and this subsection
15 shall receive both stipends.

16 3. For its teachers to be eligible for a stipend under subsection 1 or 2 of this section,
17 a district shall meet the following requirements:

18 (1) It shall be neither unaccredited, provisionally accredited, nor interim accredited
19 in its current Missouri school improvement program cycle status;

20 (2) It shall have a student average daily attendance that qualifies it for participation
21 in the small schools award under section 163.044, RSMo; and

22 (3) It shall have a minimum salary of at least twenty-six thousand dollars.

23 4. The stipend granted under this section shall not be subject to state personal
24 income tax under chapter 143, RSMo, or used in the calculation of final average salary for
25 retirement.

168.714. 1. Any certificated teacher who is hired after August 28, 2008, by a school district that meets the requirements of subsection 2 of this section may apply for and be awarded a recruitment stipend of five thousand dollars, or, in the case of teachers certificated in mathematics or science, as determined by rule of the department of elementary and secondary education, a stipend of seven thousand five hundred dollars.

2. For its teachers to be eligible for a stipend under subsection 1 of this section, a district shall have a minimum salary of at least twenty-six thousand dollars and either of the following requirements:

(1) It shall be unaccredited, provisionally accredited, or interim accredited in its current Missouri school improvement program cycle status; or

(2) It shall have a student average daily attendance that qualifies it for participation in the small schools award under section 163.044, RSMo.

3. No teacher who has accepted a recruitment stipend shall be eligible for another such stipend unless ten full academic years have elapsed from the granting of the previous stipend.

4. The stipend granted under this section shall not be subject to state personal income tax under chapter 143, RSMo, or used in the calculation of final average salary for retirement.

168.716. 1. Each certificated teacher with a base salary of sixty thousand dollars or less who is employed by a school district that meets the requirements of subsection 4 of this section who attains at least five full years of experience as a teacher in a Missouri school, including private and charter school experience, as of August 28, 2009, or later, and who is still employed by the same school district as of August 28, 2008, shall be designated as a special consultant and shall receive, upon appropriation by the general assembly of an amount designated for this purpose, a stipend of two thousand five hundred dollars.

2. Each certificated teacher with a base salary of sixty thousand dollars or less who is employed by a school district that meets the requirements of subsection 4 of this section who attains at least ten full years of experience as a teacher in a Missouri school, including private and charter school experience, as of August 28, 2009, or later, and who is still employed by the same school district as of August 28, 2008, shall be designated as a special consultant and shall receive, upon appropriation by the general assembly of an amount designated for this purpose, a stipend of five thousand dollars.

3. Each certificated teacher with a base salary of sixty thousand dollars or less who is employed by a school district that meets the requirements of subsection 4 of this section who attains at least twenty full years of experience as a teacher in a Missouri school, including private and charter school experience, as of August 28, 2009, or later, and who

19 is still employed by the same school district as of August 28, 2008, shall be designated as
20 a special consultant and shall receive, upon appropriation by the general assembly of an
21 amount designated for this purpose, a stipend of ten thousand dollars.

22 **4. For its teachers to be eligible for a stipend under subsections 1 to 3 of this section,**
23 **a district shall meet the following requirements:**

24 **(1) It shall be neither unaccredited, provisionally accredited, nor interim accredited**
25 **in its current Missouri school improvement program cycle status during the year of the**
26 **award; and**

27 **(2) It shall have a student average daily attendance that qualifies it for participation**
28 **in the small schools award under section 163.044, RSMo.**

29 **5. The stipend granted under this section shall not be subject to state personal**
30 **income tax under chapter 143, RSMo, or used in the calculation of final average salary for**
31 **retirement.**

168.720. 1. When any school district that is unaccredited, interim accredited, or
2 **provisionally accredited in its Missouri school improvement program cycle status as of**
3 **April 30, 2008, achieves accreditation without provisions, any certificated teacher with a**
4 **base pay of sixty thousand dollars or less who is employed by the district on the date of the**
5 **state board decision to award full accreditation shall receive an accreditation stipend of**
6 **two thousand five hundred dollars.**

7 **2. The stipend granted under this section shall not be subject to state personal**
8 **income tax under chapter 143, RSMo, or used in the calculation of final average salary for**
9 **retirement.**

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, 2013, 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, 2013, 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, 2013, 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, 2013, 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, 2013, 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, 2013, 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:

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

83 OR

Option 6. Upon the death of the member prior to the member having received sixty
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

subsection 3 of this section had been elected, and the beneficiary dies after receiving the optional benefit, and if the total retirement allowance paid to the retired individual and the beneficiary of the retired individual is less than the total of the contributions, the difference shall be paid to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) estate of the beneficiary, in that order of precedence, unless the retired individual designates a different recipient with the board at or after retirement.

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

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

(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

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

beneficiary nominated to receive continued retirement allowance payments under the elected option dies or has died, shall upon application to the board of trustees have his or her retirement allowance increased to the amount he or she would have been receiving had the option not been elected, actuarially adjusted to recognize any excessive benefits which would have been paid to him or her up to the time of application.

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

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 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.

22. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a deceased retired member 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 a payment equivalent to three and five-tenths percent of the previous month's benefit, which shall be added to the member or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 12 and 13 of this section for the purposes of the limit on the total amount of increases which may be received.

23. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a deceased retired member 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 a dollar amount equal to three dollars times the member's number of years of creditable service, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 12 and 13 of this section for the purposes of the limit on the total amount of increases which may be received.

24. Notwithstanding the provisions of subsection 6 of section 169.030 to the contrary, any member who has retired and attained the age of seventy-five and above, and received cost-of-living increases totaling eighty percent as provided in subsection 12 of this section prior to January 1, 2009, shall be made, constituted, 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, beginning January 1, 2009, and through January 1, 2014, the member shall receive an amount equal to five dollars per month multiplied by years of service which 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 or more and whose creditable service is five years or more, or whose sum of age and creditable service equals eighty years or more, or whose creditable service is thirty years or more regardless of age, shall be the sum of the following items:

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

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

(3) Eighty-five one-hundredths of one percent of any amount by which the member's average compensation for services rendered prior to July 1, 1973, exceeds the average monthly 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, 2013, 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

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, and**
217 **received cost-of-living increases totaling eighty percent as provided in subsection 2 of this**
218 **section prior to January 1, 2009, shall be made, constituted, and employed by the board**
219 **as a special consultant on the matters of education, retirement, and aging, and upon**
220 **request shall give written or oral opinions to the board in response to such requests. As**
221 **compensation for such duties, beginning January 1, 2009, and through January 1, 2014,**
222 **the member shall receive an amount equal to three dollars per month multiplied by years**
223 **of service which shall be added to the member's monthly annuity.**

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