

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 17, Page
2 2, Section 161.249, Line 24, by inserting after all of said Section and Line the following:

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

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

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

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

15 (3) [Between July 1, 1998, and July 1, 2013,] Two and four-tenths percent of the member's
16 final average salary for each year of membership service, if the member's creditable service is
17 twenty-nine years or more but less than thirty years, and the member has not attained age fifty-five;

18 (4) [Between July 1, 1998, and July 1, 2013,] Two and thirty-five-hundredths percent of the
19 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 age
25 fifty-five;

26 (6) [Between July 1, 1998, and July 1, 2013,] Two and twenty-five-hundredths percent of the
27 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 attained
29 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

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1 fifty-five;

2 (8) [Between July 1, 2001, and July 1, 2013,] Two and fifty-five hundredths percent of the
3 member's final average salary for each year of membership service, if the member's creditable
4 service is thirty-one years or more regardless of age.

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

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

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

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

14 3. (1) In lieu of the retirement allowance provided either in subsection 1 or 2 of this section,
15 collectively called "option 1", a member whose creditable service is twenty-five years or more or
16 who has attained the age of fifty-five with five or more years of creditable service may elect in the
17 member's application for retirement to receive the actuarial equivalent of the member's retirement
18 allowance in reduced monthly payments for life during retirement with the provision that:

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

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

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

36 Option 5. Upon the death of the member prior to the member having received one hundred
37 twenty monthly payments of the member's reduced allowance, the remainder of the one hundred
38 twenty monthly payments of the reduced allowance shall be paid to such beneficiary as the member
39 shall have nominated in the member's election of the option or in a subsequent nomination. If there
40 is no beneficiary so nominated who survives the member for the remainder of the one hundred
41 twenty monthly payments, the total of the remainder of such one hundred twenty monthly payments

1 shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal
2 shares, or estate of the last person, in that order of precedence, to receive a monthly allowance in a
3 lump sum payment. If the total of the one hundred twenty payments paid to the retired individual
4 and the beneficiary of the retired individual is less than the total of the member's accumulated
5 contributions, the difference shall be paid to the beneficiary in a lump sum; OR

6 Option 6. Upon the death of the member prior to the member having received sixty monthly
7 payments of the member's reduced allowance, the remainder of the sixty monthly payments of the
8 reduced allowance shall be paid to such beneficiary as the member shall have nominated in the
9 member's election of the option or in a subsequent nomination. If there is no beneficiary so
10 nominated who survives the member for the remainder of the sixty monthly payments, the total of
11 the remainder of such sixty monthly payments shall be paid to the surviving spouse, surviving
12 children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of
13 precedence, to receive a monthly allowance in a lump sum payment. If the total of the sixty
14 payments paid to the retired individual and the beneficiary of the retired individual is less than the
15 total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a
16 lump sum.

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

21 (a) If the member or a person retired on disability retirement dies after acquiring twenty-five
22 or more years of creditable service or after attaining the age of fifty-five years and acquiring five or
23 more years of creditable service and before retirement, except retirement with disability benefits, and
24 the person named by the member as the member's beneficiary has an insurable interest in the life of
25 the deceased member, the designated beneficiary may elect to receive either survivorship benefits
26 under option 2 or a payment of the accumulated contributions of the member. If survivorship
27 benefits under option 2 are elected and the member at the time of death would have been eligible to
28 receive an actuarial equivalent of the member's retirement allowance, the designated beneficiary may
29 further elect to defer the option 2 payments until the date the member would have been eligible to
30 receive the retirement allowance provided in subsection 1 or 2 of this section;

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

39 4. If the total of the retirement or disability allowance paid to an individual before the death
40 of the individual is less than the accumulated contributions at the time of retirement, the difference
41 shall be paid to the beneficiary of the individual, or to the surviving spouse, surviving children in

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

8 5. If a member dies and his or her financial institution is unable to accept the final payment
9 or payments due to the member, the final payment or payments shall be paid to the beneficiary of the
10 member or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares,
11 surviving parents in equal shares, or estate of the member, in that order of precedence, unless
12 otherwise stated. If the beneficiary of a deceased member dies and his or her financial institution is
13 unable to accept the final payment or payments, the final payment or payments shall be paid to the
14 surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of
15 the member, in that order of precedence, unless otherwise stated.

16 6. If a member dies before receiving a retirement allowance, the member's accumulated
17 contributions at the time of the death of the member shall be paid to the beneficiary of the member
18 or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares, surviving
19 parents in equal shares, or to the estate of the member, in that order of precedence; except that, no
20 such payment shall be made if the beneficiary elects option 2 in subsection 3 of this section, unless
21 the beneficiary dies before having received benefits pursuant to that subsection equal to the
22 accumulated contributions of the member, in which case the amount of accumulated contributions in
23 excess of the total benefits paid pursuant to that subsection shall be paid to the surviving spouse,
24 surviving children in equal shares, surviving parents in equal shares, or estate of the beneficiary, in
25 that order of precedence.

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

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

37 9. The retirement allowance of a member retired because of disability shall be nine-tenths of
38 the allowance to which the member's creditable service would entitle the member if the member's
39 age were sixty, or fifty percent of one-twelfth of the annual salary rate used in determining the
40 member's contributions during the last school year for which the member received a year of
41 creditable service immediately prior to the member's disability, whichever is greater, except that no

1 such allowance shall exceed the retirement allowance to which the member would have been entitled
2 upon retirement at age sixty if the member had continued to teach from the date of disability until
3 age sixty at the same salary rate.

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

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

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

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

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

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

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

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

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

35 12. Any retired member of the system who was retired prior to September 1, 1972, or
36 beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such
37 option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement
38 allowance of the member of two percent for each year, or major fraction of more than one-half of a
39 year, which the retired member has been retired prior to July 1, 1975. This increased amount shall
40 be payable commencing with January, 1976, and shall thereafter be referred to as the member's
41 retirement allowance. The increase provided for in this subsection shall not affect the retired

1 member's eligibility for compensation provided for in section 169.580 or 169.585, nor shall the
2 amount being paid pursuant to these sections be reduced because of any increases provided for in this
3 section.

4 13. If the board of trustees determines that the cost of living, as measured by generally
5 accepted standards, increases two percent or more in the preceding fiscal year, the board shall
6 increase the retirement allowances which the retired members or beneficiaries are receiving by two
7 percent of the amount being received by the retired member or the beneficiary at the time the annual
8 increase is granted by the board with the provision that the increases provided for in this subsection
9 shall not become effective until the fourth January first following the member's retirement or January
10 1, 1977, whichever later occurs, or in the case of any member retiring on or after July 1, 2000, the
11 increase provided for in this subsection shall not become effective until the third January first
12 following the member's retirement, or in the case of any member retiring on or after July 1, 2001, the
13 increase provided for in this subsection shall not become effective until the second January first
14 following the member's retirement. Commencing with January 1, 1992, if the board of trustees
15 determines that the cost of living has increased five percent or more in the preceding fiscal year, the
16 board shall increase the retirement allowances by five percent. The total of the increases granted to a
17 retired member or the beneficiary after December 31, 1976, may not exceed eighty percent of the
18 retirement allowance established at retirement or as previously adjusted by other subsections. If the
19 cost of living increases less than five percent, the board of trustees may determine the percentage of
20 increase to be made in retirement allowances, but at no time can the increase exceed five percent per
21 year. If the cost of living decreases in a fiscal year, there will be no increase in allowances for retired
22 members on the following January first.

23 14. The board of trustees may reduce the amounts which have been granted as increases to a
24 member pursuant to subsection 13 of this section if the cost of living, as determined by the board and
25 as measured by generally accepted standards, is less than the cost of living was at the time of the first
26 increase granted to the member; except that, the reductions shall not exceed the amount of increases
27 which have been made to the member's allowance after December 31, 1976. 15. Any
28 application for retirement shall include a sworn statement by the member certifying that the spouse
29 of the member at the time the application was completed was aware of the application and the plan of
30 retirement elected in the application.

31 16. Notwithstanding any other provision of law, any person retired prior to September 28,
32 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of subsection 3 of
33 this section, as such option existed prior to September 28, 1983, and whose beneficiary nominated to
34 receive continued retirement allowance payments under the elected option dies or has died, shall
35 upon application to the board of trustees have his or her retirement allowance increased to the
36 amount he or she would have been receiving had the option not been elected, actuarially adjusted to
37 recognize any excessive benefits which would have been paid to him or her up to the time of
38 application.

39 17. Benefits paid pursuant to the provisions of the public school retirement system of
40 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code except
41 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.

18. 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.

19. 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 subsection shall be used in calculating any future cost-of-living adjustments provided by subsection 13 of this section.

20. Any member who has retired prior to July 1, 1998, 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

1 written or oral opinions to the board in response to such requests. As compensation for such duties
2 the person shall receive a payment equivalent to eight and seven-tenths percent of the previous
3 month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which
4 shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes of the
5 limit on the total amount of increases which may be received.

6 21. Any member who has retired shall be made, constituted, appointed and employed by the
7 board as a special consultant on the matters of education, retirement and aging, and upon request
8 shall give written or oral opinions to the board in response to such request. As compensation for
9 such duties, the beneficiary of the retired member, or, if there is no beneficiary, the surviving spouse,
10 surviving children in equal shares, surviving parents in equal shares, or estate of the retired member,
11 in that order of precedence, shall receive as a part of compensation for these duties a death benefit of
12 five thousand dollars.

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

20 23. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a
21 deceased retired member shall be made, constituted, appointed and employed by the board as a
22 special consultant on the matters of education, retirement and aging, and upon request shall give
23 written or oral opinions to the board in response to such requests. As compensation for such duties,
24 the person shall receive a payment equivalent to three and five-tenths percent of the previous month's
25 benefit, which shall be added to the member or beneficiary's monthly annuity and which shall not be
26 subject to the provisions of subsections 13 and 14 of this section for the purposes of the limit on the
27 total amount of increases which may be received.

28 24. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a
29 deceased retired member shall be made, constituted, appointed and employed by the board as a
30 special consultant on the matters of education, retirement and aging, and upon request shall give
31 written or oral opinions to the board in response to such requests. As compensation for such duties,
32 the person shall receive a dollar amount equal to three dollars times the member's number of years of
33 creditable service, which shall be added to the member's or beneficiary's monthly annuity and which
34 shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes of the
35 limit on the total amount of increases which may be received.

36 169.670. 1. The retirement allowance of a member whose age at retirement is sixty years or
37 more and whose creditable service is five years or more, or whose sum of age and creditable service
38 equals eighty years or more, or whose creditable service is thirty years or more regardless of age,
39 shall be the sum of the following items:

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

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

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

9 (4) In lieu of the retirement allowance otherwise provided by subdivisions (1) to (3) of this
10 subsection, [between July 1, 2001, and July 1, 2013,] a member may elect to receive a retirement
11 allowance of:

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

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

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

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

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

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

33 2. If the board of trustees determines that the cost of living, as measured by generally
34 accepted standards, increases five percent or more in the preceding fiscal year, the board shall
35 increase the retirement allowances which the retired members or beneficiaries are receiving by five
36 percent of the amount being received by the retired member or the beneficiary at the time the annual
37 increase is granted by the board; provided that, the increase provided in this subsection shall not
38 become effective until the fourth January first following a member's retirement or January 1, 1982,
39 whichever occurs later, and the total of the increases granted to a retired member or the beneficiary
40 after December 31, 1981, may not exceed eighty percent of the retirement allowance established at
41 retirement or as previously adjusted by other provisions of law. If the cost of living increases less

1 than five percent, the board of trustees may determine the percentage of increase to be made in
2 retirement allowances, but at no time can the increase exceed five percent per year. If the cost of
3 living decreases in a fiscal year, there will be no increase in allowances for retired members on the
4 following January first.

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

10 4. (1) In lieu of the retirement allowance provided in subsection 1 of this section, called
11 option 1, a member whose creditable service is twenty-five years or more or who has attained age
12 fifty-five with five or more years of creditable service may elect, in the application for retirement, to
13 receive the actuarial equivalent of the member's retirement allowance in reduced monthly payments
14 for life during retirement with the provision that:

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

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

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

32 Option 5. Upon the death of the member prior to the member having received one hundred
33 twenty monthly payments of the member's reduced allowance, the remainder of the one hundred
34 twenty monthly payments of the reduced allowance shall be paid to such beneficiary as the member
35 shall have nominated in the member's election of the option or in a subsequent nomination. If there
36 is no beneficiary so nominated who survives the member for the remainder of the one hundred
37 twenty monthly payments, the reserve for the remainder of such one hundred twenty monthly
38 payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents
39 in equal shares, or estate of the last person, in that order of precedence, to receive a monthly
40 allowance in a lump sum payment. If the total of the one hundred twenty payments paid to the
41 retired individual and the beneficiary of the retired individual is less than the total of the member's

1 accumulated contributions, the difference shall be paid to the beneficiary in a lump sum; OR

2 Option 6. Upon the death of the member prior to the member having received sixty monthly
3 payments of the member's reduced allowance, the remainder of the sixty monthly payments of the
4 reduced allowance shall be paid to such beneficiary as the member shall have nominated in the
5 member's election of the option or in a subsequent nomination. If there is no beneficiary so
6 nominated who survives the member for the remainder of the sixty monthly payments, the reserve
7 for the remainder of such sixty monthly payments shall be paid to the surviving spouse, surviving
8 children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of
9 precedence, to receive a monthly allowance in a lump sum payment. If the total of the sixty
10 payments paid to the retired individual and the beneficiary of the retired individual is less than the
11 total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a
12 lump sum; OR

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

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

23 (a) If the member or a person retired on disability retirement dies after attaining age
24 fifty-five and acquiring five or more years of creditable service or after acquiring twenty-five or
25 more years of creditable service and before retirement, except retirement with disability benefits, and
26 the person named by the member as the member's beneficiary has an insurable interest in the life of
27 the deceased member, the designated beneficiary may elect to receive either survivorship payments
28 under option 2 or a payment of the member's accumulated contributions. If survivorship benefits
29 under option 2 are elected and the member at the time of death would have been eligible to receive
30 an actuarial equivalent of the member's retirement allowance, the designated beneficiary may further
31 elect to defer the option 2 payments until the date the member would have been eligible to receive
32 the retirement allowance provided in subsection 1 of this section.

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

41 5. If the total of the retirement or disability allowances paid to an individual before the

1 person's death is less than the person's accumulated contributions at the time of the person's
2 retirement, the difference shall be paid to the person's beneficiary or, if there is no beneficiary, to the
3 surviving spouse, surviving children in equal shares, surviving parents in equal shares, or person's
4 estate, in that order of precedence; provided, however, that if an optional benefit, as provided in
5 option 2, 3 or 4 in subsection 4 of this section, had been elected and the beneficiary dies after
6 receiving the optional benefit, then, if the total retirement allowances paid to the retired individual
7 and the individual's beneficiary are less than the total of the contributions, the difference shall be
8 paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or
9 estate of the beneficiary, in that order of precedence, unless the retired individual designates a
10 different recipient with the board at or after retirement.

11 6. If a member dies and his or her financial institution is unable to accept the final payment
12 or payments due to the member, the final payment or payments shall be paid to the beneficiary of the
13 member or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares,
14 surviving parents in equal shares, or estate of the member, in that order of precedence, unless
15 otherwise stated. If the beneficiary of a deceased member dies and his or her financial institution is
16 unable to accept the final payment or payments, the final payment or payments shall be paid to the
17 surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of
18 the member, in that order of precedence, unless otherwise stated.

19 7. If a member dies before receiving a retirement allowance, the member's accumulated
20 contributions at the time of the member's death shall be paid to the member's beneficiary or, if there
21 is no beneficiary, to the surviving spouse, surviving children in equal shares, surviving parents in
22 equal shares, or to the member's estate; provided, however, that no such payment shall be made if the
23 beneficiary elects option 2 in subsection 4 of this section, unless the beneficiary dies before having
24 received benefits pursuant to that subsection equal to the accumulated contributions of the member,
25 in which case the amount of accumulated contributions in excess of the total benefits paid pursuant
26 to that subsection shall be paid to the surviving spouse, surviving children in equal shares, surviving
27 parents in equal shares, or estate of the beneficiary, in that order of precedence.

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

31 9. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, if a
32 member ceases to be an employee as defined in section 169.600 after acquiring five or more years of
33 creditable service, the member may, at the option of the member, leave the member's contributions
34 with the retirement system and claim a retirement allowance any time after the member reaches the
35 minimum age for voluntary retirement. When the member's claim is presented to the board, the
36 member shall be granted an allowance as provided in sections 169.600 to 169.715 on the basis of the
37 member's age and years of service.

38 10. The retirement allowance of a member retired because of disability shall be nine-tenths
39 of the allowance to which the member's creditable service would entitle the member if the member's
40 age were sixty.

41 11. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, any

1 member who is a member prior to October 13, 1969, may elect to have the member's retirement
2 allowance computed in accordance with sections 169.600 to 169.715 as they existed prior to October
3 13, 1969.

4 12. Any application for retirement shall include a sworn statement by the member certifying
5 that the spouse of the member at the time the application was completed was aware of the application
6 and the plan of retirement elected in the application.

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

15 14. Benefits paid pursuant to the provisions of the public education employee retirement
16 system of Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States
17 Code, except as provided under this subsection. Notwithstanding any other law, the board of trustees
18 may establish a benefit plan under Section 415(m) of Title 26 of the United States Code. Such plan
19 shall be credited solely for the purpose described in Section 415(m)(3)(A) of Title 26 of the United
20 States Code. The board of trustees may promulgate regulations necessary to implement the
21 provisions of this subsection and to create and administer such benefit plan. 15. Any member
22 who has retired prior to July 1, 1999, and the designated beneficiary of a deceased retired member
23 upon request shall be made, constituted, appointed and employed by the board as a special consultant
24 on the matters of education, retirement and aging. As compensation for such duties the person shall
25 receive a payment equivalent to seven and four-tenths percent of the previous month's benefit, which
26 shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the
27 provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of
28 increases which may be received.

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

36 17. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a
37 deceased retired member upon request shall be made, constituted, appointed and employed by the
38 board as a special consultant on the matters of education, retirement and aging. As compensation for
39 such duties the person shall receive a payment equivalent to seven and one-tenth percent of the
40 previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and
41 which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of

- 1 the limit on the total amount of increases which may be received."; and
- 2
- 3 Further amend said bill by amending the title, enacting clause, and intersectional references
- 4 accordingly.