

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for  
2 Senate Bill Nos. 681 & 662, Page 69, Section 168.515, Line 33, by inserting after all of the said  
3 section and line the following:  
4

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

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

13 (2) Six-tenths of the amount payable for a year of membership service for each year of prior  
14 service not exceeding thirty years.  
15

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

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

21 (4) Two and thirty-five-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 less  
23 than twenty-nine years, and the member has not attained age fifty-five;

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

27 (6) Two and twenty-five-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 less  
29 than twenty-seven years, and the member has not attained age fifty-five;

30 (7) Two and two-tenths percent of the member's final average salary for each year of

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1 membership service, if the member's creditable service is twenty-five years or more but less than  
2 twenty-six years, and the member has not attained age fifty-five;

3 (8) ~~[Between July 1, 2001, and July 1, 2014,]~~ Two and fifty-five hundredths percent of the  
4 member's final average salary for each year of membership service, if the member's creditable  
5 service is ~~[thirty-one]~~ thirty-two years or more regardless of age.

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

9 (1) Sixty cents plus one and five-tenths percent of the member's final average salary for  
10 each year of 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 (3) Three-fourths of one percent of the sum of subdivisions (1) and (2) of this subsection for  
14 each month of attained age in excess of sixty years but not in excess of age sixty-five.

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

20 Option 2.

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

26 Option 3.

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

32 Option 4.

33 Upon the death of the member one-half of the reduced retirement allowance shall be  
34 continued throughout the life of, and paid to, such person as has an insurable interest in the life of  
35 the member and as the member shall have nominated in an election of the option, and provided  
36 further that if the person so nominated dies before the retired member, the retirement allowance  
37 shall be increased to the amount the retired member would be receiving had the member elected  
38 option 1; 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 surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of precedence, to receive a monthly allowance in a lump sum payment. 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; 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 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 sixty monthly payments, the total of the remainder of such sixty monthly payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of precedence, to receive a monthly allowance in a lump sum payment. If the total of the sixty 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.

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

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

(b) If the member or a person retired on disability retirement dies before attaining age fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the person

1 named as the member's beneficiary has an insurable interest in the life of the deceased member, the  
2 designated beneficiary may elect to receive either a payment of the member's accumulated  
3 contributions, or survivorship benefits under option 2 to begin on the date the member would first  
4 have been eligible to receive an actuarial equivalent of the member's retirement allowance, or to  
5 begin on the date the member would first have been eligible to receive the retirement allowance  
6 provided in subsection 1 or 2 of this section.

7 4. If the total of the retirement or disability allowance paid to an individual before the death  
8 of the individual is less than the accumulated contributions at the time of retirement, the difference  
9 shall be paid to the beneficiary of the individual, or to the surviving spouse, surviving children in  
10 equal shares, surviving parents in equal shares, or estate of the individual in that order of  
11 precedence. If an optional benefit as provided in option 2, 3 or 4 in subsection 3 of this section had  
12 been elected, and the beneficiary dies after receiving the optional benefit, and if the total retirement  
13 allowance paid to the retired individual and the beneficiary of the retired individual is less than the  
14 total of the contributions, the difference shall be paid to the surviving spouse, surviving children in  
15 equal shares, surviving parents in equal shares, or estate of the beneficiary, in that order of  
16 precedence, unless the retired individual designates a different recipient with the board at or after  
17 retirement.

18 5. If a member dies and his or her financial institution is unable to accept the final payment  
19 or payments due to the member, the final payment or payments shall be paid to the beneficiary of  
20 the member or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares,  
21 surviving parents in equal shares, or estate of the member, in that order of precedence, unless  
22 otherwise stated. If the beneficiary of a deceased member dies and his or her financial institution is  
23 unable to accept the final payment or payments, the final payment or payments shall be paid to the  
24 surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of  
25 the member, in that order of precedence, unless otherwise stated.

26 6. If a member dies before receiving a retirement allowance, the member's accumulated  
27 contributions at the time of the death of the member shall be paid to the beneficiary of the member  
28 or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares, surviving  
29 parents in equal shares, or to the estate of the member, in that order of precedence; except that, no  
30 such payment shall be made if the beneficiary elects option 2 in subsection 3 of this section, unless  
31 the beneficiary dies before having received benefits pursuant to that subsection equal to the  
32 accumulated contributions of the member, in which case the amount of accumulated contributions in  
33 excess of the total benefits paid pursuant to that subsection shall be paid to the surviving spouse,  
34 surviving children in equal shares, surviving parents in equal shares, or estate of the beneficiary, in  
35 that order of precedence.

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

39 8. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, if a

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

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

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

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

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

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

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

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

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

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

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

8 12. Any retired member of the system who was retired prior to September 1, 1972, or  
9 beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such  
10 option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement  
11 allowance of the member of two percent for each year, or major fraction of more than one-half of a  
12 year, which the retired member has been retired prior to July 1, 1975. This increased amount shall  
13 be payable commencing with January, 1976, and shall thereafter be referred to as the member's  
14 retirement allowance. The increase provided for in this subsection shall not affect the retired  
15 member's eligibility for compensation provided for in section ~~[169.580 or]~~ 169.585, nor shall the  
16 amount being paid pursuant to these sections be reduced because of any increases provided for in  
17 this section.

18 13. If the board of trustees determines that the cost of living, as measured by generally  
19 accepted standards, increases two percent or more in the preceding fiscal year, the board shall  
20 increase the retirement allowances which the retired members or beneficiaries are receiving by two  
21 percent of the amount being received by the retired member or the beneficiary at the time the annual  
22 increase is granted by the board with the provision that the increases provided for in this subsection  
23 shall not become effective until the fourth January first following the member's retirement or  
24 January 1, 1977, whichever later occurs, or in the case of any member retiring on or after July 1,  
25 2000, the increase provided for in this subsection shall not become effective until the third January  
26 first following the member's retirement, or in the case of any member retiring on or after July 1,  
27 2001, the increase provided for in this subsection shall not become effective until the second  
28 January first following the member's retirement. Commencing with January 1, 1992, if the board of  
29 trustees determines that the cost of living has increased five percent or more in the preceding fiscal  
30 year, the board shall increase the retirement allowances by five percent. The total of the increases  
31 granted to a retired member or the beneficiary after December 31, 1976, may not exceed eighty  
32 percent of the retirement allowance established at retirement or as previously adjusted by other  
33 subsections. If the cost of living increases less than five percent, the board of trustees may  
34 determine the percentage of increase to be made in retirement allowances, but at no time can the  
35 increase exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no  
36 increase in allowances for retired members on the following January first.

37 14. The board of trustees may reduce the amounts which have been granted as increases to a  
38 member pursuant to subsection 13 of this section if the cost of living, as determined by the board  
39 and as measured by generally accepted standards, is less than the cost of living was at the time of

1 the first increase granted to the member; except that, the reductions shall not exceed the amount of  
2 increases which have been made to the member's allowance after December 31, 1976.

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

6 16. Notwithstanding any other provision of law, any person retired prior to September 28,  
7 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of subsection 3 of  
8 this section, as such option existed prior to September 28, 1983, and whose beneficiary nominated to  
9 receive continued retirement allowance payments under the elected option dies or has died, shall  
10 upon application to the board of trustees have his or her retirement allowance increased to the  
11 amount he or she would have been receiving had the option not been elected, actuarially adjusted to  
12 recognize any excessive benefits which would have been paid to him or her up to the time of  
13 application.

14 17. Benefits paid pursuant to the provisions of the public school retirement system of  
15 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code except  
16 as provided pursuant to this subsection. Notwithstanding any other law to the contrary, the board of  
17 trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the United States  
18 Code. Such plan shall be created solely for the purpose described in Section 415(m)(3)(A) of Title  
19 26 of the United States Code. The board of trustees may promulgate regulations necessary to  
20 implement the provisions of this subsection and to create and administer such benefit plan.

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

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

1 (4) At least fifteen years but less than twenty years, six hundred dollars.

2 19. Notwithstanding any other provisions of law to the contrary, any person retired prior to  
3 May 26, 1994, and any designated beneficiary of such a retired member who was deceased prior to  
4 July 1, 1999, shall be made, constituted, appointed and employed by the board as a special  
5 consultant on the matters of education, retirement or aging and upon request shall give written or  
6 oral opinions to the board in response to such requests. Beginning September 1, 1996, as  
7 compensation for such service, the member shall have added, pursuant to this subsection, to the  
8 member's monthly annuity as provided by this section a dollar amount equal to the lesser of sixty  
9 dollars or the product of two dollars multiplied by the member's number of years of creditable  
10 service. Beginning September 1, 1999, the designated beneficiary of the deceased member shall as  
11 compensation for such service have added, pursuant to this subsection, to the monthly annuity as  
12 provided by this section a dollar amount equal to the lesser of sixty dollars or the product of two  
13 dollars multiplied by the member's number of years of creditable service. The total compensation  
14 provided by this section including the compensation provided by this subsection shall be used in  
15 calculating any future cost-of-living adjustments provided by subsection 13 of this section.

16 20. Any member who has retired prior to July 1, 1998, and the designated beneficiary of a  
17 deceased retired member shall be made, constituted, appointed and employed by the board as a  
18 special consultant on the matters of education, retirement and aging, and upon request shall give  
19 written or oral opinions to the board in response to such requests. As compensation for such duties  
20 the person shall receive a payment equivalent to eight and seven-tenths percent of the previous  
21 month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which  
22 shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes of the  
23 limit on the total amount of increases which may be received.

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

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

38 23. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a  
39 deceased retired member shall be made, constituted, appointed and employed by the board as a



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

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

15  
16 Further amend said bill by amending the title, enacting clause, and intersectional references  
17 accordingly.