

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

**Offered By**

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for  
2 Senate Bill No. 68, Page 79, Section 168.331, Line 31, by inserting after all of the said section and  
3 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;

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1 (7) Two and two-tenths percent of the member's final average salary for each year of  
2 membership service, if the member's creditable service is twenty-five years or more but less than  
3 twenty-six years, and the member has not attained age fifty-five;

4 (8) Two and fifty-five hundredths percent of the member's final average salary for each year  
5 of membership service, if the member's creditable service is thirty-two years or more regardless of  
6 age.

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

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

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

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

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

21 Option 2.

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

27 Option 3.

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

33 Option 4.

34 Upon the death of the member one-half of the reduced retirement allowance shall be  
35 continued throughout the life of, and paid to, such person as has an insurable interest in the life of  
36 the member and as the member shall have nominated in an election of the option, and provided  
37 further that if the person so nominated dies before the retired member, the retirement allowance

1 shall be increased to the amount the retired member would be receiving had the member elected  
2 option 1; or

3 Option 5.

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

15 Option 6.

16 Upon the death of the member prior to the member having received sixty monthly payments  
17 of the member's reduced allowance, the remainder of the sixty monthly payments of the reduced  
18 allowance shall be paid to such beneficiary as the member shall have nominated in the member's  
19 election of the option or in a subsequent nomination. If there is no beneficiary so nominated who  
20 survives the member for the remainder of the sixty monthly payments, the total of the remainder of  
21 such sixty monthly payments shall be paid to the surviving spouse, surviving children in equal  
22 shares, surviving parents in equal shares, or estate of the last person, in that order of precedence, to  
23 receive a monthly allowance in a lump sum payment. If the total of the sixty payments paid to the  
24 retired individual and the beneficiary of the retired individual is less than the total of the member's  
25 accumulated contributions, the difference shall be paid to the beneficiary in a lump sum.

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

30 (a) If the member or a person retired on disability retirement dies after acquiring twenty-five  
31 or more years of creditable service or after attaining the age of fifty-five years and acquiring five or  
32 more years of creditable service and before retirement, except retirement with disability benefits,  
33 and the person named by the member as the member's beneficiary has an insurable interest in the  
34 life of the deceased member, the designated beneficiary may elect to receive either survivorship  
35 benefits under option 2 or a payment of the accumulated contributions of the member. If  
36 survivorship benefits under option 2 are elected and the member at the time of death would have  
37 been eligible to receive an actuarial equivalent of the member's retirement allowance, the designated

1 beneficiary may further elect to defer the option 2 payments until the date the member would have  
2 been eligible to receive the retirement allowance provided in subsection 1 or 2 of this section;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 12. Any retired member of the system who was retired prior to September 1, 1972, or  
15 beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such  
16 option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement  
17 allowance of the member of two percent for each year, or major fraction of more than one-half of a  
18 year, which the retired member has been retired prior to July 1, 1975. This increased amount shall  
19 be payable commencing with January, 1976, and shall thereafter be referred to as the member's  
20 retirement allowance. The increase provided for in this subsection shall not affect the retired  
21 member's eligibility for compensation provided for in section ~~[169.580-06]~~ 169.585, nor shall the  
22 amount being paid pursuant to these sections be reduced because of any increases provided for in  
23 this section.

24 13. (1) If the board of trustees determines that the cost of living, as measured by generally  
25 accepted standards, increases two percent or more in the preceding fiscal year, the board shall  
26 increase the retirement allowances which the retired members or beneficiaries are receiving by two  
27 percent of the amount being received by the retired member or the beneficiary at the time the annual  
28 increase is granted by the board with the provision that the increases provided for in this subsection  
29 shall not become effective until the fourth January first following the member's retirement or  
30 January 1, 1977, whichever later occurs, or in the case of any member retiring on or after July 1,  
31 2000, the increase provided for in this subsection shall not become effective until the third January  
32 first following the member's retirement, or in the case of any member retiring on or after July 1,  
33 2001, the increase provided for in this subsection shall not become effective until the second  
34 January first following the member's retirement. Commencing with January 1, 1992, if the board of  
35 trustees determines that the cost of living has increased five percent or more in the preceding fiscal  
36 year, the board shall increase the retirement allowances by five percent. The total of the increases  
37 granted to a retired member or the beneficiary after December 31, 1976, may not exceed eighty  
38 percent of the retirement allowance established at retirement or as previously adjusted by other  
39 subsections.

1           (2) Notwithstanding any other provision of this chapter to the contrary, the limitation on the  
2 total of the increases granted to a retired member or beneficiary as provided by subdivision (1) of  
3 this subsection shall be subject to an annual increase approved by the board of trustees beginning on  
4 December 31, 2025, and on each December thirty-first thereafter, except that such annual increase  
5 shall not exceed one percent per year. Any increase to the limitation shall depend on the  
6 performance of the system's investments. If the system's investments earn two percent or greater  
7 returns in excess of the investment return rate adopted by the board of trustees in the immediately  
8 prior fiscal year, then the percentage of the retirement allowance for the total of increases granted to  
9 a retired member or beneficiary shall be increased by one percent. The one percent increase shall be  
10 incorporated in the calculation applicable to the retirement allowances in the calendar year that  
11 immediately follows the fiscal year in which the system's investments met or exceeded by two  
12 percent the investment return rate. The total of the increases granted to a retired member or  
13 beneficiary shall not exceed one hundred percent of the retirement allowance established at  
14 retirement or as previously adjusted by other sections. The percentage of the retirement allowance  
15 for the total of increases granted to a retired member or beneficiary shall not be decreased. Any  
16 reference to the limitation on the total of increases granted to a retired member or beneficiary in any  
17 other section of this chapter shall be construed to be the percentage of the retirement allowance in  
18 effect as increased pursuant to this subdivision, unless such increase to the percentage of the  
19 retirement allowance is otherwise expressly excluded.

20           (3) If the cost of living increases less than five percent, the board of trustees may determine  
21 the percentage of increase to be made in retirement allowances, but at no time can the increase  
22 exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no increase  
23 in allowances for retired members on the following January first.

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

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

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

1           17. Benefits paid pursuant to the provisions of the public school retirement system of  
2 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code except  
3 as provided pursuant to this subsection. Notwithstanding any other law to the contrary, the board of  
4 trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the United States  
5 Code. Such plan shall be created solely for the purpose described in Section 415(m)(3)(A) of Title  
6 26 of the United States Code. The board of trustees may promulgate regulations necessary to  
7 implement the provisions of this subsection and to create and administer such benefit plan.

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

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

28           19. Notwithstanding any other provisions of law to the contrary, any person retired prior to  
29 May 26, 1994, and any designated beneficiary of such a retired member who was deceased prior to  
30 July 1, 1999, shall be made, constituted, appointed and employed by the board as a special  
31 consultant on the matters of education, retirement or aging and upon request shall give written or  
32 oral opinions to the board in response to such requests. Beginning September 1, 1996, as  
33 compensation for such service, the member shall have added, pursuant to this subsection, to the  
34 member's monthly annuity as provided by this section a dollar amount equal to the lesser of sixty  
35 dollars or the product of two dollars multiplied by the member's number of years of creditable  
36 service. Beginning September 1, 1999, the designated beneficiary of the deceased member shall as  
37 compensation for such service have added, pursuant to this subsection, to the monthly annuity as  
38 provided by this section a dollar amount equal to the lesser of sixty dollars or the product of two  
39 dollars multiplied by the member's number of years of creditable service. The total compensation



1 provided by this section including the compensation provided by this subsection shall be used in  
2 calculating any future cost-of-living adjustments provided by subsection 13 of this section.

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

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

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

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

33 24. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a  
34 deceased retired member shall be made, constituted, appointed and employed by the board as a  
35 special consultant on the matters of education, retirement and aging, and upon request shall give  
36 written or oral opinions to the board in response to such requests. As compensation for such duties,  
37 the person shall receive a dollar amount equal to three dollars times the member's number of years  
38 of creditable service, which shall be added to the member's or beneficiary's monthly annuity and

1 which shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes  
2 of the limit on the total amount of increases which may be received.

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

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

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

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

17 (4) In lieu of the retirement allowance otherwise provided by subdivisions (1) to (3) of this  
18 subsection, a member may elect to receive a retirement allowance of:

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

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

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

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

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

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

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

10           (2) Notwithstanding any other provision of this chapter to the contrary, the limitation on the  
11 total of the increases granted to a retired member or beneficiary as provided by subdivision (1) of  
12 this subsection shall be subject to an annual increase approved by the board of trustees beginning on  
13 December 31, 2025, and on each December thirty-first thereafter, except that such annual increase  
14 shall not exceed one percent per year. Any increase to the limitation shall depend on the  
15 performance of the system's investments. If the system's investments earn two percent or greater  
16 returns in excess of the investment return rate adopted by the board of trustees in the immediately  
17 prior fiscal year, then the percentage of the retirement allowance for the total of increases granted to  
18 a retired member or beneficiary shall be increased by one percent. The one percent increase shall be  
19 incorporated in the calculation applicable to the retirement allowances in the calendar year that  
20 immediately follows the fiscal year in which the system's investments met or exceeded by two  
21 percent the investment return rate. The total of the increases granted to a retired member or  
22 beneficiary shall not exceed one hundred percent of the retirement allowance established at  
23 retirement or as previously adjusted by other sections. The percentage of the retirement allowance  
24 for the total of increases granted to a retired member or beneficiary shall not be decreased. Any  
25 reference to the limitation on the total of increases granted to a retired member or beneficiary in any  
26 other section of this chapter shall be construed to be the percentage of the retirement allowance in  
27 effect as increased pursuant to this subdivision, unless such increase to the percentage of the  
28 retirement allowance is otherwise expressly excluded.

29           (3) If the cost of living increases less than five percent, the board of trustees may determine  
30 the percentage of increase to be made in retirement allowances, but at no time can the increase  
31 exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no increase  
32 in allowances for retired members on the following January first.

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

38           4. (1) In lieu of the retirement allowance provided in subsection 1 of this section, called  
39 option 1, a member whose creditable service is twenty-five years or more or who has attained age

fifty-five with five or more years of creditable service may elect, in the application for retirement, to receive the actuarial equivalent of the member's retirement allowance in reduced monthly payments for life during retirement with the provision that:

Option 2.

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

#### Option 7.

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

(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 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 attaining age fifty-five and acquiring five or more years of creditable service or after acquiring twenty-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 payments under option 2 or a payment of the member's accumulated contributions. 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 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 named as the beneficiary has an insurable interest in the life of the deceased member or disability retiree, the designated beneficiary may elect to receive either a payment of the person's accumulated contributions or survivorship benefits under option 2 to begin on the date the member would first have been eligible to receive an actuarial equivalent of the person's retirement allowance, or to begin on the date the member would first have been eligible to receive the retirement allowance provided in subsection 1 of this section.

5. If the total of the retirement or disability allowances paid to an individual before the person's death is less than the person's accumulated contributions at the time of the person's

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

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

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

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

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

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

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

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

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

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

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

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

37           17. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a  
38 deceased retired member upon request shall be made, constituted, appointed and employed by the  
39 board as a special consultant on the matters of education, retirement and aging. As compensation

1 for such duties the person shall receive a payment equivalent to seven and one-tenth percent of the  
2 previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and  
3 which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of  
4 the limit on the total amount of increases which may be received."; and  
5  
6 Further amend said bill by amending the title, enacting clause, and intersectional references  
7 accordingly.