

FIRST REGULAR SESSION

SENATE BILL NO. 219

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WALLINGFORD.

Read 1st time January 12, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1238S.01I

AN ACT

To repeal section 169.070, RSMo, and to enact in lieu thereof one new section relating to school employee retirement, with an emergency clause.

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

Section A. Section 169.070, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 169.070, to read as follows:

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

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

10 (2) Six-tenths of the amount payable for a year of membership service for
11 each year of prior service not exceeding thirty years. In lieu of the retirement
12 allowance otherwise provided in subdivisions (1) and (2) of this subsection, a
13 member may elect to receive a retirement allowance of:

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

18 (4) Two and thirty-five-hundredths percent of the member's final average
19 salary for each year of membership service, if the member's creditable service is

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 twenty-eight years or more but less than twenty-nine years, and the member has
21 not attained age fifty-five;

22 (5) Two and three-tenths percent of the member's final average salary for
23 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
25 not attained age fifty-five;

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

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

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

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

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

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

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

49 3. (1) In lieu of the retirement allowance provided either in subsection 1
50 or 2 of this section, collectively called "option 1", a member whose creditable
51 service is twenty-five years or more or who has attained the age of fifty-five with
52 five or more years of creditable service may elect in the member's application for
53 retirement to receive the actuarial equivalent of the member's retirement
54 allowance in reduced monthly payments for life during retirement with the
55 provision that:

92 individual is less than the total of the member's accumulated contributions, the
93 difference shall be paid to the beneficiary in a lump sum;

94 OR

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

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

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

126 (b) If the member or a person retired on disability retirement dies before
127 attaining age fifty-five but after acquiring five but fewer than twenty-five years

128 of creditable service, and the person named as the member's beneficiary has an
129 insurable interest in the life of the deceased member, the designated beneficiary
130 may elect to receive either a payment of the member's accumulated contributions,
131 or survivorship benefits under option 2 to begin on the date the member would
132 first have been eligible to receive an actuarial equivalent of the member's
133 retirement allowance, or to begin on the date the member would first have been
134 eligible to receive the retirement allowance provided in subsection 1 or 2 of this
135 section.

136 4. If the total of the retirement or disability allowance paid to an
137 individual before the death of the individual is less than the accumulated
138 contributions at the time of retirement, the difference shall be paid to the
139 beneficiary of the individual, or to the surviving spouse, surviving children in
140 equal shares, surviving parents in equal shares, or estate of the individual in that
141 order of precedence. If an optional benefit as provided in option 2, 3 or 4 in
142 subsection 3 of this section had been elected, and the beneficiary dies after
143 receiving the optional benefit, and if the total retirement allowance paid to the
144 retired individual and the beneficiary of the retired individual is less than the
145 total of the contributions, the difference shall be paid to the surviving spouse,
146 surviving children in equal shares, surviving parents in equal shares, or estate
147 of the beneficiary, in that order of precedence, unless the retired individual
148 designates a different recipient with the board at or after retirement.

149 5. If a member dies and his or her financial institution is unable to accept
150 the final payment or payments due to the member, the final payment or payments
151 shall be paid to the beneficiary of the member or, if there is no beneficiary, to the
152 surviving spouse, surviving children in equal shares, surviving parents in equal
153 shares, or estate of the member, in that order of precedence, unless otherwise
154 stated. If the beneficiary of a deceased member dies and his or her financial
155 institution is unable to accept the final payment or payments, the final payment
156 or payments shall be paid to the surviving spouse, surviving children in equal
157 shares, surviving parents in equal shares, or estate of the member, in that order
158 of precedence, unless otherwise stated.

159 6. If a member dies before receiving a retirement allowance, the member's
160 accumulated contributions at the time of the death of the member shall be paid
161 to the beneficiary of the member or, if there is no beneficiary, to the surviving
162 spouse, surviving children in equal shares, surviving parents in equal shares, or
163 to the estate of the member, in that order of precedence; except that, no such

164 payment shall be made if the beneficiary elects option 2 in subsection 3 of this
165 section, unless the beneficiary dies before having received benefits pursuant to
166 that subsection equal to the accumulated contributions of the member, in which
167 case the amount of accumulated contributions in excess of the total benefits paid
168 pursuant to that subsection shall be paid to the surviving spouse, surviving
169 children in equal shares, surviving parents in equal shares, or estate of the
170 beneficiary, in that order of precedence.

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

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

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

195 10. Notwithstanding any provisions of sections 169.010 to 169.141 to the
196 contrary, from October 13, 1961, the contribution rate pursuant to sections
197 169.010 to 169.141 shall be multiplied by the factor of two-thirds for any member
198 of the system for whom federal Old Age and Survivors Insurance tax is paid from
199 state or local tax funds on account of the member's employment entitling the

200 person to membership in the system. The monetary benefits for a member who
201 elected not to exercise an option to pay into the system a retroactive contribution
202 of four percent on that part of the member's annual salary rate which was in
203 excess of four thousand eight hundred dollars but not in excess of eight thousand
204 four hundred dollars for each year of employment in a position covered by this
205 system between July 1, 1957, and July 1, 1961, as provided in subsection 10 of
206 this section as it appears in RSMo, 1969, shall be the sum of:

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

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

212 (3) For years of membership service after July 1, 1957, and prior to July
213 1, 1961, the benefits provided in this section as it appears in RSMo, 1959; except
214 that if the member has at least thirty years of creditable service at retirement the
215 member shall receive the benefit payable pursuant to that section as though the
216 member's age were sixty-five at retirement;

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

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

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

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

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

232 12. Any retired member of the system who was retired prior to September
233 1, 1972, or beneficiary receiving payments under option 1 or option 2 of
234 subsection 3 of this section, as such option existed prior to September 1, 1972,
235 will be eligible to receive an increase in the retirement allowance of the member

236 of two percent for each year, or major fraction of more than one-half of a year,
237 which the retired member has been retired prior to July 1, 1975. This increased
238 amount shall be payable commencing with January, 1976, and shall thereafter
239 be referred to as the member's retirement allowance. The increase provided for
240 in this subsection shall not affect the retired member's eligibility for
241 compensation provided for in section 169.580 or 169.585, nor shall the amount
242 being paid pursuant to these sections be reduced because of any increases
243 provided for in this section.

244 13. If the board of trustees determines that the cost of living, as measured
245 by generally accepted standards, increases two percent or more in the preceding
246 fiscal year, the board shall increase the retirement allowances which the retired
247 members or beneficiaries are receiving by two percent of the amount being
248 received by the retired member or the beneficiary at the time the annual increase
249 is granted by the board with the provision that the increases provided for in this
250 subsection shall not become effective until the fourth January first following the
251 member's retirement or January 1, 1977, whichever later occurs, or in the case
252 of any member retiring on or after July 1, 2000, the increase provided for in this
253 subsection shall not become effective until the third January first following the
254 member's retirement, or in the case of any member retiring on or after July 1,
255 2001, the increase provided for in this subsection shall not become effective until
256 the second January first following the member's retirement. Commencing with
257 January 1, 1992, if the board of trustees determines that the cost of living has
258 increased five percent or more in the preceding fiscal year, the board shall
259 increase the retirement allowances by five percent. The total of the increases
260 granted to a retired member or the beneficiary after December 31, 1976, may not
261 exceed eighty percent of the retirement allowance established at retirement or as
262 previously adjusted by other subsections. If the cost of living increases less than
263 five percent, the board of trustees may determine the percentage of increase to
264 be made in retirement allowances, but at no time can the increase exceed five
265 percent per year. If the cost of living decreases in a fiscal year, there will be no
266 increase in allowances for retired members on the following January first.

267 14. The board of trustees may reduce the amounts which have been
268 granted as increases to a member pursuant to subsection 13 of this section if the
269 cost of living, as determined by the board and as measured by generally accepted
270 standards, is less than the cost of living was at the time of the first increase
271 granted to the member; except that, the reductions shall not exceed the amount

272 of increases which have been made to the member's allowance after December 31,
273 1976.

274 15. Any application for retirement shall include a sworn statement by the
275 member certifying that the spouse of the member at the time the application was
276 completed was aware of the application and the plan of retirement elected in the
277 application.

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

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

296 18. Notwithstanding any other provision of law to the contrary, any
297 person retired before, on, or after May 26, 1994, shall be made, constituted,
298 appointed and employed by the board as a special consultant on the matters of
299 education, retirement and aging, and upon request shall give written or oral
300 opinions to the board in response to such requests. As compensation for such
301 duties the person shall receive an amount based on the person's years of service
302 so that the total amount received pursuant to sections 169.010 to 169.141 shall
303 be at least the minimum amounts specified in subdivisions (1) to (4) of this
304 subsection. In determining the minimum amount to be received, the amounts in
305 subdivisions (3) and (4) of this subsection shall be adjusted in accordance with the
306 actuarial adjustment, if any, that was applied to the person's retirement
307 allowance. In determining the minimum amount to be received, beginning

308 September 1, 1996, the amounts in subdivisions (1) and (2) of this subsection
309 shall be adjusted in accordance with the actuarial adjustment, if any, that was
310 applied to the person's retirement allowance due to election of an optional form
311 of retirement having a continued monthly payment after the person's
312 death. Notwithstanding any other provision of law to the contrary, no person
313 retired before, on, or after May 26, 1994, and no beneficiary of such a person,
314 shall receive a retirement benefit pursuant to sections 169.010 to 169.141 based
315 on the person's years of service less than the following amounts:

316 (1) Thirty or more years of service, one thousand two hundred dollars;

317 (2) At least twenty-five years but less than thirty years, one thousand
318 dollars;

319 (3) At least twenty years but less than twenty-five years, eight hundred
320 dollars;

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

322 19. Notwithstanding any other provisions of law to the contrary, any
323 person retired prior to May 26, 1994, and any designated beneficiary of such a
324 retired member who was deceased prior to July 1, 1999, shall be made,
325 constituted, appointed and employed by the board as a special consultant on the
326 matters of education, retirement or aging and upon request shall give written or
327 oral opinions to the board in response to such requests. Beginning September 1,
328 1996, as compensation for such service, the member shall have added, pursuant
329 to this subsection, to the member's monthly annuity as provided by this section
330 a dollar amount equal to the lesser of sixty dollars or the product of two dollars
331 multiplied by the member's number of years of creditable service. Beginning
332 September 1, 1999, the designated beneficiary of the deceased member shall as
333 compensation for such service have added, pursuant to this subsection, to the
334 monthly annuity as provided by this section a dollar amount equal to the lesser
335 of sixty dollars or the product of two dollars multiplied by the member's number
336 of years of creditable service. The total compensation provided by this section
337 including the compensation provided by this subsection shall be used in
338 calculating any future cost-of-living adjustments provided by subsection 13 of this
339 section.

340 20. Any member who has retired prior to July 1, 1998, and the designated
341 beneficiary of a deceased retired member shall be made, constituted, appointed
342 and employed by the board as a special consultant on the matters of education,
343 retirement and aging, and upon request shall give written or oral opinions to the

344 board in response to such requests. As compensation for such duties the person
345 shall receive a payment equivalent to eight and seven-tenths percent of the
346 previous month's benefit, which shall be added to the member's or beneficiary's
347 monthly annuity and which shall not be subject to the provisions of subsections
348 13 and 14 of this section for the purposes of the limit on the total amount of
349 increases which may be received.

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

358 22. Any member who has retired prior to July 1, 1999, and the designated
359 beneficiary of a retired member who was deceased prior to July 1, 1999, shall be
360 made, constituted, appointed and employed by the board as a special consultant
361 on the matters of education, retirement and aging, and upon request shall give
362 written or oral opinions to the board in response to such requests.

363 As compensation for such duties, the person shall have added, pursuant to this
364 subsection, to the monthly annuity as provided by this section a dollar amount
365 equal to five dollars times the member's number of years of creditable service.

366 23. Any member who has retired prior to July 1, 2000, and the designated
367 beneficiary of a deceased retired member shall be made, constituted, appointed
368 and employed by the board as a special consultant on the matters of education,
369 retirement and aging, and upon request shall give written or oral opinions to the
370 board in response to such requests. As compensation for such duties, the person
371 shall receive a payment equivalent to three and five-tenths percent of the
372 previous month's benefit, which shall be added to the member or beneficiary's
373 monthly annuity and which shall not be subject to the provisions of subsections
374 13 and 14 of this section for the purposes of the limit on the total amount of
375 increases which may be received.

376 24. Any member who has retired prior to July 1, 2001, and the designated
377 beneficiary of a deceased retired member shall be made, constituted, appointed
378 and employed by the board as a special consultant on the matters of education,
379 retirement and aging, and upon request shall give written or oral opinions to the

380 board in response to such requests. As compensation for such duties, the person
381 shall receive a dollar amount equal to three dollars times the member's number
382 of years of creditable service, which shall be added to the member's or
383 beneficiary's monthly annuity and which shall not be subject to the provisions of
384 subsections 13 and 14 of this section for the purposes of the limit on the total
385 amount of increases which may be received.

Section B. Because of the importance of providing an additional
2 retirement allowance option to Missouri teachers, section A of this act is deemed
3 necessary for the immediate preservation of the public health, welfare, peace and
4 safety, and is hereby declared to be an emergency act within the meaning of the
5 constitution, and section A of this act shall be in full force and effect upon its
6 passage and approval.

✓

Bill

Copy