

SECOND REGULAR SESSION

SENATE BILL NO. 707

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR McKENNA.

Pre-filed December 14, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

3827S.011

AN ACT

To repeal sections 169.070 and 169.670, RSMo, and to enact in lieu thereof two new sections relating to teacher and school employee retirement systems.

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

Section A. Sections 169.070 and 169.670, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 169.070 and 169.670, to
3 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) Between July 1, 1998, and July 1, 2013, two and four-tenths percent
15 of the member's final average salary for each year of membership service, if the
16 member's creditable service is twenty-nine years or more but less than thirty
17 years, and the member has not attained age fifty-five;

18 (4) Between July 1, 1998, and July 1, 2013, two and
19 thirty-five-hundredths percent of the member's final average salary for each year

20 of membership service, if the member's creditable service is twenty-eight years
21 or more but less than twenty-nine years, and the member has not attained age
22 fifty-five;

23 (5) Between July 1, 1998, and July 1, 2013, two and three-tenths percent
24 of the member's final average salary for each year of membership service, if the
25 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) Between July 1, 1998, and July 1, 2013, two and
28 twenty-five-hundredths percent of the member's final average salary for each year
29 of membership service, if the member's creditable service is twenty-six years or
30 more but less than twenty-seven years, and the member has not attained age
31 fifty-five;

32 (7) Between July 1, 1998, and July 1, 2013, two and two-tenths percent
33 of the member's final average salary for each year of membership service, if the
34 member's creditable service is twenty-five years or more but less than twenty-six
35 years, and the member has not attained age fifty-five;

36 (8) Between July 1, 2001, and July 1, 2013, two and fifty-five hundredths
37 percent of the member's final average salary for each year of membership service,
38 if the member's creditable service is thirty-one years or more regardless of age.

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

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

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

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

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

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

95 OR

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

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

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

127 (b) If the member or a person retired on disability retirement dies before

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

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

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

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

164 to the estate of the member, in that order of precedence; except that, no such
165 payment shall be made if the beneficiary elects option 2 in subsection 3 of this
166 section, unless the beneficiary dies before having received benefits pursuant to
167 that subsection equal to the accumulated contributions of the member, in which
168 case the amount of accumulated contributions in excess of the total benefits paid
169 pursuant to that subsection shall be paid to the surviving spouse, surviving
170 children in equal shares, surviving parents in equal shares, or estate of the
171 beneficiary, in that order of precedence.

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

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

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

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

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

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

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

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

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

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

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

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

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

233 12. Any retired member of the system who was retired prior to September
234 1, 1972, or beneficiary receiving payments under option 1 or option 2 of
235 subsection 3 of this section, as such option existed prior to September 1, 1972,

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

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

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

272 granted to the member; except that, the reductions shall not exceed the amount
273 of increases which have been made to the member's allowance after December 31,
274 1976.

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

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

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

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

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

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

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

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

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

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

341 20. Any member who has retired prior to July 1, 1998, and the designated
342 beneficiary of a deceased retired member shall be made, constituted, appointed
343 and employed by the board as a special consultant on the matters of education,

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

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

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

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

377 24. Any member who has retired prior to July 1, 2001, and the designated
378 beneficiary of a deceased retired member shall be made, constituted, appointed
379 and employed by the board as a special consultant on the matters of education,

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

387 **25. Notwithstanding the provisions of subsection 6 of section**
388 **169.030 to the contrary, any member who has retired, attained the age**
389 **of seventy-five and above, and received cost-of-living increases totaling**
390 **eighty percent as provided in subsection 13 of this section prior to**
391 **January 1, 2011, shall be made, constituted, and employed by the board**
392 **as a special consultant on the matters of education, retirement, and**
393 **aging, and upon request shall give written or oral opinions to the board**
394 **in response to such requests. As compensation for such duties,**
395 **beginning January 1, 2011, and through January 1, 2016, the member**
396 **shall receive an amount equal to five dollars per month multiplied by**
397 **years of service which shall be added to the member's monthly annuity.**

169.670. 1. The retirement allowance of a member whose age at
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 whose creditable service is thirty years or more regardless of age, shall be the
5 sum of the following items:

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

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

10 (3) Eighty-five one-hundredths of one percent of any amount by which the
11 member's average compensation for services rendered prior to July 1, 1973,
12 exceeds the average monthly compensation on which federal Social Security taxes
13 were paid during the period over which such average compensation was
14 computed, for each year of membership service credit for services rendered prior
15 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
18 (1) to (3) of this subsection, between July 1, 2001, and July 1, 2013, a member

19 may elect to receive a retirement allowance of:

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

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

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

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

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

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

47 2. If the board of trustees determines that the cost of living, as measured
48 by generally accepted standards, increases five percent or more in the preceding
49 fiscal year, the board shall increase the retirement allowances which the retired
50 members or beneficiaries are receiving by five percent of the amount being
51 received by the retired member or the beneficiary at the time the annual increase
52 is granted by the board; provided that, the increase provided in this subsection
53 shall not become effective until the fourth January first following a member's
54 retirement or January 1, 1982, whichever occurs later, and the total of the

91

OR

92 Option 4. Upon the death of the member one-half of the reduced
93 retirement allowance shall be continued throughout the life of, and paid to, such
94 person as has an insurable interest in the life of the member and as the member
95 shall have nominated in an election of the option, and provided further that if the
96 person so nominated dies before the retired member, the retirement allowance
97 shall be increased to the amount the retired member would be receiving had the
98 member elected option 1;

99

OR

100 Option 5. Upon the death of the member prior to the member having
101 received one hundred twenty monthly payments of the member's reduced
102 allowance, the remainder of the one hundred twenty monthly payments of the
103 reduced allowance shall be paid to such beneficiary as the member shall have
104 nominated in the member's election of the option or in a subsequent nomination.
105 If there is no beneficiary so nominated who survives the member for the
106 remainder of the one hundred twenty monthly payments, the reserve for the
107 remainder of such one hundred twenty monthly payments shall be paid to the
108 surviving spouse, surviving children in equal shares, surviving parents in equal
109 shares, or estate of the last person, in that order of precedence, to receive a
110 monthly allowance in a lump sum payment. If the total of the one hundred
111 twenty payments paid to the retired individual and the beneficiary of the retired
112 individual is less than the total of the member's accumulated contributions, the
113 difference shall be paid to the beneficiary in a lump sum;

114

OR

115 Option 6. Upon the death of the member prior to the member having
116 received sixty monthly payments of the member's reduced allowance, the
117 remainder of the sixty monthly payments of the reduced allowance shall be paid
118 to such beneficiary as the member shall have nominated in the member's election
119 of the option or in a subsequent nomination. If there is no beneficiary so
120 nominated who survives the member for the remainder of the sixty monthly
121 payments, the reserve for the remainder of such sixty monthly payments shall be
122 paid to the surviving spouse, surviving children in equal shares, surviving
123 parents in equal shares, or estate of the last person, in that order of precedence,
124 to receive a monthly allowance in a lump sum payment. If the total of the sixty
125 payments paid to the retired individual and the beneficiary of the retired
126 individual is less than the total of the member's accumulated contributions, the

127 difference shall be paid to the beneficiary in a lump sum;

128

OR

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

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

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

154 (b) If the member or a person retired on disability retirement dies before
155 attaining age fifty-five but after acquiring five but fewer than twenty-five years
156 of creditable service, and the person named as the beneficiary has an insurable
157 interest in the life of the deceased member or disability retiree, the designated
158 beneficiary may elect to receive either a payment of the person's accumulated
159 contributions or survivorship benefits under option 2 to begin on the date the
160 member would first have been eligible to receive an actuarial equivalent of the
161 person's retirement allowance, or to begin on the date the member would first
162 have been eligible to receive the retirement allowance provided in subsection 1

163 of this section.

164 5. If the total of the retirement or disability allowances paid to an
165 individual before the person's death is less than the person's accumulated
166 contributions at the time of the person's retirement, the difference shall be paid
167 to the person's beneficiary or, if there is no beneficiary, to the surviving spouse,
168 surviving children in equal shares, surviving parents in equal shares, or person's
169 estate, in that order of precedence; provided, however, that if an optional benefit,
170 as provided in option 2, 3 or 4 in subsection 4 of this section, had been elected
171 and the beneficiary dies after receiving the optional benefit, then, if the total
172 retirement allowances paid to the retired individual and the individual's
173 beneficiary are less than the total of the contributions, the difference shall be
174 paid to the surviving spouse, surviving children in equal shares, surviving
175 parents in equal shares, or estate of the beneficiary, in that order of precedence,
176 unless the retired individual designates a different recipient with the board at or
177 after retirement.

178 6. If a member dies and his or her financial institution is unable to accept
179 the final payment or payments due to the member, the final payment or payments
180 shall be paid to the beneficiary of the member or, if there is no beneficiary, to the
181 surviving spouse, surviving children in equal shares, surviving parents in equal
182 shares, or estate of the member, in that order of precedence, unless otherwise
183 stated. If the beneficiary of a deceased member dies and his or her financial
184 institution is unable to accept the final payment or payments, the final payment
185 or payments shall be paid to the surviving spouse, surviving children in equal
186 shares, surviving parents in equal shares, or estate of the member, in that order
187 of precedence, unless otherwise stated.

188 7. If a member dies before receiving a retirement allowance, the member's
189 accumulated contributions at the time of the member's death shall be paid to the
190 member's beneficiary or, if there is no beneficiary, to the surviving spouse,
191 surviving children in equal shares, surviving parents in equal shares, or to the
192 member's estate; provided, however, that no such payment shall be made if the
193 beneficiary elects option 2 in subsection 4 of this section, unless the beneficiary
194 dies before having received benefits pursuant to that subsection equal to the
195 accumulated contributions of the member, in which case the amount of
196 accumulated contributions in excess of the total benefits paid pursuant to that
197 subsection shall be paid to the surviving spouse, surviving children in equal
198 shares, surviving parents in equal shares, or estate of the beneficiary, in that

199 order of precedence.

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

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

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

215 11. Notwithstanding any provisions of sections 169.600 to 169.715 to the
216 contrary, any member who is a member prior to October 13, 1969, may elect to
217 have the member's retirement allowance computed in accordance with sections
218 169.600 to 169.715 as they existed prior to October 13, 1969.

219 12. Any application for retirement shall include a sworn statement by the
220 member certifying that the spouse of the member at the time the application was
221 completed was aware of the application and the plan of retirement elected in the
222 application.

223 13. Notwithstanding any other provision of law, any person retired prior
224 to August 14, 1984, who is receiving a reduced retirement allowance under option
225 1 or 2 of subsection 4 of this section, as the option existed prior to August 14,
226 1984, and whose beneficiary nominated to receive continued retirement allowance
227 payments under the elected option dies or has died, shall upon application to the
228 board of trustees have the person's retirement allowance increased to the amount
229 the person would have been receiving had the person not elected the option
230 actuarially adjusted to recognize any excessive benefits which would have been
231 paid to the person up to the time of the application.

232 14. Benefits paid pursuant to the provisions of the public education
233 employee retirement system of Missouri shall not exceed the limitations of
234 Section 415 of Title 26 of the United States Code, except as provided under this

235 subsection. Notwithstanding any other law, the board of trustees may establish
236 a benefit plan under Section 415(m) of Title 26 of the United States Code. Such
237 plan shall be credited solely for the purpose described in Section 415(m)(3)(A) of
238 Title 26 of the United States Code. The board of trustees may promulgate
239 regulations necessary to implement the provisions of this subsection and to create
240 and administer such benefit plan.

241 15. Any member who has retired prior to July 1, 1999, and the designated
242 beneficiary of a deceased retired member upon request shall be made, constituted,
243 appointed and employed by the board as a special consultant on the matters of
244 education, retirement and aging. As compensation for such duties the person
245 shall receive a payment equivalent to seven and four-tenths percent of the
246 previous month's benefit, which shall be added to the member's or beneficiary's
247 monthly annuity and which shall not be subject to the provisions of subsections
248 2 and 3 of this section for the purposes of the limit on the total amount of
249 increases which may be received.

250 16. Any member who has retired prior to July 1, 2000, and the designated
251 beneficiary of a deceased retired member upon request shall be made, constituted,
252 appointed and employed by the board as a special consultant on the matters of
253 education, retirement and aging. As compensation for such duties the person
254 shall receive a payment equivalent to three and four-tenths percent of the
255 previous month's benefit, which shall be added to the member's or beneficiary's
256 monthly annuity and which shall not be subject to the provisions of subsections
257 2 and 3 of this section for the purposes of the limit on the total amount of
258 increases which may be received.

259 17. Any member who has retired prior to July 1, 2001, and the designated
260 beneficiary of a deceased retired member upon request shall be made, constituted,
261 appointed and employed by the board as a special consultant on the matters of
262 education, retirement and aging. As compensation for such duties the person
263 shall receive a payment equivalent to seven and one-tenth percent of the previous
264 month's benefit, which shall be added to the member's or beneficiary's monthly
265 annuity and which shall not be subject to the provisions of subsections 2 and 3
266 of this section for the purposes of the limit on the total amount of increases which
267 may be received.

268 **18. Notwithstanding the provisions of subsection 7 of section**
269 **169.620 to the contrary, any member who has retired, attained the age**
270 **of seventy-five and above, and received cost-of-living increases totaling**

271 **eighty percent as provided in subsection 2 of this section prior to**
272 **January 1, 2011, shall be made, constituted, and employed by the board**
273 **as a special consultant on the matters of education, retirement, and**
274 **aging, and upon request shall give written or oral opinions to the board**
275 **in response to such requests. As compensation for such duties,**
276 **beginning January 1, 2011, and through January 1, 2016, the member**
277 **shall receive an amount equal to three dollars per month multiplied by**
278 **years of service which shall be added to the member's monthly annuity.**

✓

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