

FIRST REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 244

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MAYER.

Read 1st time January 10, 2007, and ordered printed.

Read 2nd time January 18, 2007, and referred to the Committee on Pensions, Veterans' Affairs and General Laws.

Reported from the Committee February 8, 2007, with recommendation that the bill do pass and be placed on the Consent Calendar.

Removed from the Consent Calendar February 14, 2007.

Re-reported from the Committee February 15, 2007, with recommendation that the bill do pass.

Taken up for Perfection February 28, 2007. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

0505S.02P

AN ACT

To repeal sections 169.070, 169.466, 169.471, and 169.670, RSMo, and to enact in lieu thereof four new sections relating to the 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, 169.466, 169.471, and 169.670, RSMo, are
2 repealed and four new sections enacted in lieu thereof, to be known as sections
3 169.070, 169.466, 169.471, and 169.670, 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

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

11 each year of prior service not exceeding thirty years.

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

14 (3) Between July 1, 1998, and July 1, [2008] **2013**, two and four-tenths
15 percent of the member's final average salary for each year of membership service,
16 if the member's creditable service is twenty-nine years or more but less than
17 thirty years, and the member has not attained age fifty-five;

18 (4) Between July 1, 1998, and July 1, [2008] **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, [2008] **2013**, two and three-tenths
24 percent of the member's final average salary for each year of membership service,
25 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) Between July 1, 1998, and July 1, [2008] **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, [2008] **2013**, two and two-tenths
33 percent of the member's final average salary for each year of membership service,
34 if the member's creditable service is twenty-five years or more but less than
35 twenty-six years, and the member has not attained age fifty-five;

36 (8) Between July 1, 2001, and July 1, [2008] **2013**, two and fifty-five
37 hundredths percent of the member's final average salary for each year of
38 membership service, if the member's creditable service is thirty-one years or more
39 regardless of age.

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

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

46 (2) Six-tenths of the amount payable for a year of membership service for

47 each year of prior service not exceeding thirty years;

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

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

58 Option 2. Upon the member's death the reduced retirement allowance
59 shall be continued throughout the life of and paid to such person as has an
60 insurable interest in the life of the member as the member shall have nominated
61 in the member's election of the option, and provided further that if the person so
62 nominated dies before the retired member, the retirement allowance will be
63 increased to the amount the retired member would be receiving had the retired
64 member elected option 1;

65

OR

66 Option 3. Upon the death of the member three-fourths of the reduced
67 retirement allowance shall be continued throughout the life of and paid to such
68 person as has an insurable interest in the life of the member and as the member
69 shall have nominated in an election of the option, and provided further that if the
70 person so nominated dies before the retired member, the retirement allowance
71 will be increased to the amount the retired member would be receiving had the
72 member elected option 1;

73

OR

74 Option 4. Upon the death of the member one-half of the reduced
75 retirement allowance shall be continued throughout the life of, and paid to, such
76 person as has an insurable interest in the life of the member and as the member
77 shall have nominated in an election of the option, and provided further that if the
78 person so nominated dies before the retired member, the retirement allowance
79 shall be increased to the amount the retired member would be receiving had the
80 member elected option 1;

81

OR

82 Option 5. Upon the death of the member prior to the member having

83 received one hundred twenty monthly payments of the member's reduced
84 allowance, the remainder of the one hundred twenty monthly payments of the
85 reduced allowance shall be paid to such beneficiary as the member shall have
86 nominated in the member's election of the option or in a subsequent nomination.
87 If there is no beneficiary so nominated who survives the member for the
88 remainder of the one hundred twenty monthly payments, the total of the
89 remainder of such one hundred twenty monthly payments shall be paid to the
90 estate of the last person to receive a monthly allowance. If the total of the one
91 hundred twenty payments paid to the retired individual and the beneficiary of the
92 retired individual is less than the total of the member's accumulated
93 contributions, the 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 estate of the last person to receive a monthly allowance. If the total
103 of the sixty payments paid to the retired individual and the beneficiary of the
104 retired individual is less than the total of the member's accumulated
105 contributions, the difference shall be paid to the beneficiary in a lump sum.

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

111 (a) If the member or a person retired on disability retirement dies after
112 acquiring twenty-five or more years of creditable service or after attaining the age
113 of fifty-five years and acquiring five or more years of creditable service and before
114 retirement, except retirement with disability benefits, and the person named by
115 the member as the member's beneficiary has an insurable interest in the life of
116 the deceased member, the designated beneficiary may elect to receive either
117 survivorship benefits under option 2 or a payment of the accumulated
118 contributions of the member. If survivorship benefits under option 2 are elected

119 and the member at the time of death would have been eligible to receive an
120 actuarial equivalent of the member's retirement allowance, the designated
121 beneficiary may further elect to defer the option 2 payments until the date the
122 member would have been eligible to receive the retirement allowance provided in
123 subsection 1 or 2 of this section;

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

134 4. If the total of the retirement or disability allowance paid to an
135 individual before the death of the individual is less than the accumulated
136 contributions at the time of retirement, the difference shall be paid to the
137 beneficiary of the individual, or to the (1) surviving spouse, (2) surviving children
138 in equal shares, (3) surviving parents in equal shares, or (4) estate of the
139 individual in that order of precedence. If an optional benefit as provided in
140 option 2, 3 or 4 in subsection 3 of this section had been elected, and the
141 beneficiary dies after receiving the optional benefit, and if the total retirement
142 allowance paid to the retired individual and the beneficiary of the retired
143 individual is less than the total of the contributions, the difference shall be paid
144 to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving
145 parents in equal shares, or (4) estate of the beneficiary, in that order of
146 precedence, unless the retired individual designates a different recipient with the
147 board at or after retirement.

148 5. If a member dies before receiving a retirement allowance, the member's
149 accumulated contributions at the time of the death of the member shall be paid
150 to the beneficiary of the member or, if there is no beneficiary, to the (1) surviving
151 spouse, (2) surviving children in equal shares, (3) surviving parents in equal
152 shares, or (4) to the estate of the member in that order of precedence; except that,
153 no such payment shall be made if the beneficiary elects option 2 in subsection 3
154 of this section, unless the beneficiary dies before having received benefits

155 pursuant to that subsection equal to the accumulated contributions of the
156 member, in which case the amount of accumulated contributions in excess of the
157 total benefits paid pursuant to that subsection shall be paid to the (1) surviving
158 spouse, (2) surviving children in equal shares, (3) surviving parents in equal
159 shares, or (4) estate of the beneficiary, in that order of precedence.

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

164 7. Notwithstanding any provisions of sections 169.010 to 169.141 to the
165 contrary, if a member ceases to be a public school employee after acquiring five
166 or more years of membership service in Missouri, the member may at the option
167 of the member leave the member's contributions with the retirement system and
168 claim a retirement allowance any time after reaching the minimum age for
169 voluntary retirement. When the member's claim is presented to the board, the
170 member shall be granted an allowance as provided in sections 169.010 to 169.141
171 on the basis of the member's age, years of service, and the provisions of the law
172 in effect at the time the member requests the member's retirement to become
173 effective.

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

184 9. Notwithstanding any provisions of sections 169.010 to 169.141 to the
185 contrary, from October 13, 1961, the contribution rate pursuant to sections
186 169.010 to 169.141 shall be multiplied by the factor of two-thirds for any member
187 of the system for whom federal Old Age and Survivors Insurance tax is paid from
188 state or local tax funds on account of the member's employment entitling the
189 person to membership in the system. The monetary benefits for a member who
190 elected not to exercise an option to pay into the system a retroactive contribution

191 of four percent on that part of the member's annual salary rate which was in
192 excess of four thousand eight hundred dollars but not in excess of eight thousand
193 four hundred dollars for each year of employment in a position covered by this
194 system between July 1, 1957, and July 1, 1961, as provided in subsection 10 of
195 this section as it appears in RSMo, 1969, shall be the sum of:

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

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

201 (3) For years of membership service after July 1, 1957, and prior to July
202 1, 1961, the benefits provided in this section as it appears in RSMo, 1959; except
203 that if the member has at least thirty years of creditable service at retirement the
204 member shall receive the benefit payable pursuant to that section as though the
205 member's age were sixty-five at retirement;

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

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

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

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

218 (3) For years of membership service after July 1, 1957, 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. Any retired member of the system who was retired prior to September
222 1, 1972, or beneficiary receiving payments under option 1 or option 2 of
223 subsection 3 of this section, as such option existed prior to September 1, 1972,
224 will be eligible to receive an increase in the retirement allowance of the member
225 of two percent for each year, or major fraction of more than one-half of a year,
226 which the retired member has been retired prior to July 1, 1975. This increased

227 amount shall be payable commencing with January, 1976, and shall thereafter
228 be referred to as the member's retirement allowance. The increase provided for
229 in this subsection shall not affect the retired member's eligibility for
230 compensation provided for in section 169.580 or 169.585, nor shall the amount
231 being paid pursuant to these sections be reduced because of any increases
232 provided for in this section.

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

256 13. The board of trustees may reduce the amounts which have been
257 granted as increases to a member pursuant to subsection 12 of this section if the
258 cost of living, as determined by the board and as measured by generally accepted
259 standards, is less than the cost of living was at the time of the first increase
260 granted to the member; except that, the reductions shall not exceed the amount
261 of increases which have been made to the member's allowance after December 31,
262 1976.

263 14. Any application for retirement shall include a sworn statement by the
264 member certifying that the spouse of the member at the time the application was
265 completed was aware of the application and the plan of retirement elected in the
266 application.

267 15. Notwithstanding any other provision of law, any person retired prior
268 to September 28, 1983, who is receiving a reduced retirement allowance under
269 option 1 or option 2 of subsection 3 of this section, as such option existed prior to
270 September 28, 1983, and whose beneficiary nominated to receive continued
271 retirement allowance payments under the elected option dies or has died, shall
272 upon application to the board of trustees have his or her retirement allowance
273 increased to the amount he or she would have been receiving had the option not
274 been elected, actuarially adjusted to recognize any excessive benefits which would
275 have been paid to him or her up to the time of application.

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

285 17. Notwithstanding any other provision of law to the contrary, any
286 person retired before, on, or after May 26, 1994, shall be made, constituted,
287 appointed and employed by the board as a special consultant on the matters of
288 education, retirement and aging, and upon request shall give written or oral
289 opinions to the board in response to such requests. As compensation for such
290 duties the person shall receive an amount based on the person's years of service
291 so that the total amount received pursuant to sections 169.010 to 169.141 shall
292 be at least the minimum amounts specified in subdivisions (1) to (4) of this
293 subsection. In determining the minimum amount to be received, the amounts in
294 subdivisions (3) and (4) of this subsection shall be adjusted in accordance with the
295 actuarial adjustment, if any, that was applied to the person's retirement
296 allowance. In determining the minimum amount to be received, beginning
297 September 1, 1996, the amounts in subdivisions (1) and (2) of this subsection
298 shall be adjusted in accordance with the actuarial adjustment, if any, that was

299 applied to the person's retirement allowance due to election of an optional form
300 of retirement having a continued monthly payment after the person's
301 death. Notwithstanding any other provision of law to the contrary, no person
302 retired before, on, or after May 26, 1994, and no beneficiary of such a person,
303 shall receive a retirement benefit pursuant to sections 169.010 to 169.141 based
304 on the person's years of service less than the following amounts:

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

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

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

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

311 18. Notwithstanding any other provisions of law to the contrary, any
312 person retired prior to May 26, 1994, and any designated beneficiary of such a
313 retired member who was deceased prior to July 1, 1999, shall be made,
314 constituted, appointed and employed by the board as a special consultant on the
315 matters of education, retirement or aging and upon request shall give written or
316 oral opinions to the board in response to such requests. Beginning September 1,
317 1996, as compensation for such service, the member shall have added, pursuant
318 to this subsection, to the member's monthly annuity as provided by this section
319 a dollar amount equal to the lesser of sixty dollars or the product of two dollars
320 multiplied by the member's number of years of creditable service. Beginning
321 September 1, 1999, the designated beneficiary of the deceased member shall as
322 compensation for such service have added, pursuant to this subsection, to the
323 monthly annuity as provided by this section a dollar amount equal to the lesser
324 of sixty dollars or the product of two dollars multiplied by the member's number
325 of years of creditable service. The total compensation provided by this section
326 including the compensation provided by this subsection shall be used in
327 calculating any future cost-of-living adjustments provided by subsection 12 of this
328 section.

329 19. Any member who has retired prior to July 1, 1998, and the designated
330 beneficiary of a deceased retired member shall be made, constituted, appointed
331 and employed by the board as a special consultant on the matters of education,
332 retirement and aging, and upon request shall give written or oral opinions to the
333 board in response to such requests. As compensation for such duties the person
334 shall receive a payment equivalent to eight and seven-tenths percent of the

335 previous month's benefit, which shall be added to the member's or beneficiary's
336 monthly annuity and which shall not be subject to the provisions of subsections
337 12 and 13 of this section for the purposes of the limit on the total amount of
338 increases which may be received.

339 20. Any member who has retired shall be made, constituted, appointed
340 and employed by the board as a special consultant on the matters of education,
341 retirement and aging, and upon request shall give written or oral opinions to the
342 board in response to such request. As compensation for such duties, the
343 beneficiary of the retired member, or, if there is no beneficiary, the (1) surviving
344 spouse, (2) surviving children in equal shares, (3) surviving parents in equal
345 shares, or (4) estate of the retired member, in that order of precedence, shall
346 receive as a part of compensation for these duties a death benefit of five thousand
347 dollars.

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

356 22. Any member who has retired prior to July 1, 2000, and the designated
357 beneficiary of a deceased retired member shall be made, constituted, appointed
358 and employed by the board as a special consultant on the matters of education,
359 retirement and aging, and upon request shall give written or oral opinions to the
360 board in response to such requests. As compensation for such duties, the person
361 shall receive a payment equivalent to three and five-tenths percent of the
362 previous month's benefit, which shall be added to the member or beneficiary's
363 monthly annuity and which shall not be subject to the provisions of subsections
364 12 and 13 of this section for the purposes of the limit on the total amount of
365 increases which may be received.

366 23. Any member who has retired prior to July 1, 2001, 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 dollar amount equal to three dollars times the member's number
372 of years of creditable service, which shall be added to the member's or
373 beneficiary's monthly annuity and which shall not be subject to the provisions of
374 subsections 12 and 13 of this section for the purposes of the limit on the total
375 amount of increases which may be received.

169.466. 1. Any retired member with fifteen or more years of creditable
2 service at retirement receiving [a pension] **retirement benefits** on August 28,
3 1997, shall receive on January first of each year, commencing on January 1, 1998,
4 an increase in the amount of [pension] **benefits** received by the retired member
5 pursuant to sections 169.410 to 169.540 during the preceding year of one hundred
6 percent of the increase in the consumer price index calculated in the manner
7 provided in this section; except that, no such increase in [pension] **retirement**
8 **benefits** shall be paid for any year if such increase in the consumer price index
9 is less than one percent. Such annual [pension] **retirement benefit** increase,
10 however, shall not exceed three percent [and the total increases in the amount
11 of pension benefits received by any retired member shall not, in the aggregate,
12 exceed ten percent of the pension benefits such retired member received during
13 the year preceding January first of the first year the retired member is entitled
14 to receive an increase pursuant to this section]. A retired member qualified to
15 receive an annual [pension] **retirement benefit** increase pursuant to this
16 section shall not be eligible to receive an additional benefit until the January first
17 after the first anniversary of the date on which he or she commenced receiving
18 [a pension] **retirement benefits** pursuant to sections 169.410 to
19 169.540. Benefits shall not be decreased in the case of a decrease in the
20 consumer price index for any year.

21 2. For the purpose of this section, any increase in the consumer price
22 index shall be determined by the board of trustees in November of each year
23 based on the consumer price index for the twelve-month period ended on
24 September thirtieth of such year over the consumer price index for the
25 twelve-month period ended on September thirtieth of the year immediately prior
26 thereto. Any increase so determined shall be applied by the board of trustees in
27 calculating increases in [pension] **retirement** benefits that become payable
28 pursuant to this section for the twelve-month period beginning on the January
29 first immediately following such determination.

30 3. An annual increase in [pension] **retirement** benefits, if any, shall be
31 payable monthly with monthly installments of other [pension] **retirement**

32 benefits pursuant to sections 169.410 to 169.540.

169.471. 1. The board of education is authorized from time to time, in its
2 discretion, to increase the [pension] **retirement** benefits now or hereafter
3 provided pursuant to sections 169.410 to 169.540 and to adopt and implement
4 additional [pension] **retirement** benefits and plans, including without limitation,
5 early retirement plans, deferred retirement option plans and cost-of-living
6 adjustments, but excluding compensation to retired members pursuant to section
7 169.475, and for such purpose the contribution rate of members of the retirement
8 system may be increased to provide part of the cost thereof, subject to the
9 following conditions:

10 (1) Any such increase in [pension] **retirement** benefits and additional
11 [pension] **retirement** benefits and plans shall be approved by the board of
12 trustees;

13 (2) The board of trustees shall have presented to the board of education
14 the projected increases in rates of contribution which will be required to be made
15 by members and the board of education to the retirement system to pay the cost
16 of such increases in [pension] **retirement** benefits and additional [pension]
17 **retirement** benefits and plans; and

18 (3) Any increase in the contribution rate of members of the retirement
19 system shall be approved by the board of trustees and shall be deducted from the
20 compensation of each member by the employing board and transferred and
21 credited to the individual account of each member from whose compensation the
22 deduction was made, and shall be administered in accordance with sections
23 169.410 to 169.540; provided that, any such increase in the members' contribution
24 rate shall not exceed one-half of one percent of compensation in any year for such
25 increases to [pension] **retirement** benefits and additional [pension] **retirement**
26 benefits and plans adopted during such year by the board of education pursuant
27 to this section, and all such increases in the members' contribution rate shall, in
28 the aggregate, not exceed two percent of compensation.

29 **2. The board of trustees is authorized from time to time, in its**
30 **discretion, to increase the retirement benefits, now or hereinafter**
31 **provided under sections 169.410 to 169.540, and to adopt and implement**
32 **additional retirement benefits for persons who have retired, including**
33 **cost-of-living adjustments, provided that the board of trustees finds the**
34 **additional benefit will not require an increase in the contribution rate**
35 **required by the members, will not increase the contribution required**

36 **from the board of education, and is actuarially sound. In the event the**
37 **board of trustees authorizes an increase under this section, it shall**
38 **certify in writing to the board of education the findings, including but**
39 **not limited to all actuarial assumptions, upon which the board of**
40 **trustees determined that the increase in benefits would result in no**
41 **increase in contributions by members or the board of education.**

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, [2008] **2013**, a
19 member 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
55 increases granted to a retired member or the beneficiary after December 31, 1981,
56 may not exceed eighty percent of the retirement allowance established at
57 retirement or as previously adjusted by other provisions of law. If the cost of
58 living increases less than five percent, the board of trustees may determine the
59 percentage of increase to be made in retirement allowances, but at no time can
60 the increase exceed five percent per year. If the cost of living decreases in a fiscal
61 year, there will be no increase in allowances for retired members on the following
62 January first.

63 3. The board of trustees may reduce the amounts which have been granted
64 as increases to a member pursuant to subsection 2 of this section if the cost of
65 living, as determined by the board and as measured by generally accepted
66 standards, is less than the cost of living was at the time of the first increase

67 granted to the member; provided that, the reductions shall not exceed the amount
68 of increases which have been made to the member's allowance after December 31,
69 1981.

70 4. (1) In lieu of the retirement allowance provided in subsection 1 of this
71 section, called "option 1", a member whose creditable service is twenty-five years
72 or more or who has attained age fifty-five with five or more years of creditable
73 service may elect, in the application for retirement, to receive the actuarial
74 equivalent of the member's retirement allowance in reduced monthly payments
75 for life during retirement with the provision that:

76 Option 2. Upon the member's death, the reduced retirement allowance
77 shall be continued throughout the life of and paid to such person as has an
78 insurable interest in the life of the member as the member shall have nominated
79 in the member's election of the option, and provided further that if the person so
80 nominated dies before the retired member, the retirement allowance will be
81 increased to the amount the retired member would be receiving had the member
82 elected option 1;

83

OR

84 Option 3. Upon the death of the member three-fourths of the reduced
85 retirement allowance shall be continued throughout the life of and paid to such
86 person as has an insurable interest in the life of the member and as the member
87 shall have nominated in an election of the option, and provided further that if the
88 person so nominated dies before the retired member, the retirement allowance
89 will be increased to the amount the retired member would be receiving had the
90 member elected option 1;

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 estate of the last person to receive a monthly allowance. If the total of the one
109 hundred twenty payments paid to the retired individual and the beneficiary of the
110 retired individual is less than the total of the member's accumulated
111 contributions, the difference shall be paid to the beneficiary in a lump sum;

112

OR

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

124

OR

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

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

137 (a) If the member or a person retired on disability retirement dies after
138 attaining age fifty-five and acquiring five or more years of creditable service or

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

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

160 5. If the total of the retirement or disability allowances paid to an
161 individual before the person's death is less than the person's accumulated
162 contributions at the time of the person's retirement, the difference shall be paid
163 to the person's beneficiary or, if there is no beneficiary, to the (1) surviving
164 spouse, (2) surviving children in equal shares, (3) surviving parents in equal
165 shares, or (4) person's estate in that order of precedence; provided, however, that
166 if an optional benefit, as provided in option 2, 3 or 4 in subsection 4, had been
167 elected and the beneficiary dies after receiving the optional benefit, then, if the
168 total retirement allowances paid to the retired individual and the individual's
169 beneficiary are less than the total of the contributions, the difference shall be
170 paid to the (1) surviving spouse, (2) surviving children in equal shares, (3)
171 surviving parents in equal shares, or (4) estate of the beneficiary, in that order
172 of precedence, unless the retired individual designates a different recipient with
173 the board at or after retirement.

174 6. If a member dies before receiving a retirement allowance, the member's

175 accumulated contributions at the time of the member's death shall be paid to the
176 member's beneficiary or, if there is no beneficiary, to the (1) surviving spouse, (2)
177 surviving children in equal shares, (3) surviving parents in equal shares, or (4)
178 to the member's estate; provided, however, that no such payment shall be made
179 if the beneficiary elects option 2 in subsection 4 of this section, unless the
180 beneficiary dies before having received benefits pursuant to that subsection equal
181 to the accumulated contributions of the member, in which case the amount of
182 accumulated contributions in excess of the total benefits paid pursuant to that
183 subsection shall be paid to the (1) surviving spouse, (2) surviving children in
184 equal shares, (3) surviving parents in equal shares, or (4) estate of the
185 beneficiary, in that order of precedence.

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

190 8. Notwithstanding any provisions of sections 169.600 to 169.715 to the
191 contrary, if a member ceases to be an employee as defined in section 169.600 after
192 acquiring five or more years of creditable service, the member may, at the option
193 of the member, leave the member's contributions with the retirement system and
194 claim a retirement allowance any time after the member reaches the minimum
195 age for voluntary retirement. When the member's claim is presented to the
196 board, the member shall be granted an allowance as provided in sections 169.600
197 to 169.715 on the basis of the member's age and years of service.

198 9. The retirement allowance of a member retired because of disability
199 shall be nine-tenths of the allowance to which the member's creditable service
200 would entitle the member if the member's age were sixty.

201 10. Notwithstanding any provisions of sections 169.600 to 169.715 to the
202 contrary, any member who is a member prior to October 13, 1969, may elect to
203 have the member's retirement allowance computed in accordance with sections
204 169.600 to 169.715 as they existed prior to October 13, 1969.

205 11. Any application for retirement shall include a sworn statement by the
206 member certifying that the spouse of the member at the time the application was
207 completed was aware of the application and the plan of retirement elected in the
208 application.

209 12. Notwithstanding any other provision of law, any person retired prior
210 to August 14, 1984, who is receiving a reduced retirement allowance under option

211 1 or 2 of subsection 4 of this section, as the option existed prior to August 14,
212 1984, and whose beneficiary nominated to receive continued retirement allowance
213 payments under the elected option dies or has died, shall upon application to the
214 board of trustees have the person's retirement allowance increased to the amount
215 the person would have been receiving had the person not elected the option,
216 actuarially adjusted to recognize any excessive benefits which would have been
217 paid to the person up to the time of the application.

218 13. Benefits paid pursuant to the provisions of the public education
219 employee retirement system of Missouri shall not exceed the limitations of
220 Section 415 of Title 26 of the United States Code, except as provided under this
221 subsection. Notwithstanding any other law, the board of trustees may establish
222 a benefit plan under Section 415(m) of Title 26 of the United States Code. Such
223 plan shall be credited solely for the purpose described in Section 415(m)(3)(A) of
224 Title 26 of the United States Code. The board of trustees may promulgate
225 regulations necessary to implement the provisions of this subsection and to create
226 and administer such benefit plan.

227 14. Any member who has retired prior to July 1, 1999, and the designated
228 beneficiary of a deceased retired member upon request shall be made, constituted,
229 appointed and employed by the board as a special consultant on the matters of
230 education, retirement and aging. As compensation for such duties the person
231 shall receive a payment equivalent to seven and four-tenths percent of the
232 previous month's benefit, which shall be added to the member's or beneficiary's
233 monthly annuity and which shall not be subject to the provisions of subsections
234 2 and 3 of this section for the purposes of the limit on the total amount of
235 increases which may be received.

236 15. Any member who has retired prior to July 1, 2000, and the designated
237 beneficiary of a deceased retired member upon request shall be made, constituted,
238 appointed and employed by the board as a special consultant on the matters of
239 education, retirement and aging. As compensation for such duties the person
240 shall receive a payment equivalent to three and four-tenths percent of the
241 previous month's benefit, which shall be added to the member's or beneficiary's
242 monthly annuity and which shall not be subject to the provisions of subsections
243 2 and 3 of this section for the purposes of the limit on the total amount of
244 increases which may be received.

245 16. Any member who has retired prior to July 1, 2001, and the designated
246 beneficiary of a deceased retired member upon request shall be made, constituted,

247 appointed and employed by the board as a special consultant on the matters of
248 education, retirement and aging. As compensation for such duties the person
249 shall receive a payment equivalent to seven and one-tenth percent of the previous
250 month's benefit, which shall be added to the member's or beneficiary's monthly
251 annuity and which shall not be subject to the provisions of subsections 2 and 3
252 of this section for the purposes of the limit on the total amount of increases which
253 may be received.

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