

SECOND REGULAR SESSION

# SENATE BILL NO. 1156

94TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR CROWELL.

Read 1st time February 19, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

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## AN ACT

To repeal sections 169.020, 169.040, 169.056, 169.070, 169.090, 169.130, 169.630, 169.650, 169.655, 169.670, and 169.690, RSMo, and to enact in lieu thereof twelve new sections relating to teacher and school employee retirement systems.

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

Section A. Sections 169.020, 169.040, 169.056, 169.070, 169.090, 169.130, 169.630, 169.650, 169.655, 169.670, and 169.690, RSMo, are repealed and twelve new sections enacted in lieu thereof, to be known as sections 169.020, 169.040, 169.056, 169.070, 169.090, 169.130, 169.630, 169.650, 169.655, 169.670, 169.690, and 169.750, to read as follows:

169.020. 1. For the purpose of providing retirement allowances and other benefits for public school teachers, there is hereby created and established a retirement system which shall be a body corporate, shall be under the management of a board of trustees herein described, and shall be known as "The Public School Retirement System of Missouri". Such system shall, by and in such name, sue and be sued, transact all of its business, invest all of its funds, and hold all of its cash, securities, and other property. The system so created shall include all school districts in this state, except those in cities that had populations of four hundred thousand or more according to the latest United States decennial census, and such others as are or hereafter may be included in a similar system or in similar systems established by law and made operative; provided, that teachers in school districts of more than four hundred thousand inhabitants who are or may become members of a local retirement system may become members of this system with the same legal benefits as accrue to present

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

15 members of such state system on the terms and under the conditions provided for  
16 in section 169.021. The system hereby established shall begin operations on the  
17 first day of July next following the date upon which sections 169.010 to 169.130  
18 shall take effect.

19           2. The general administration and the responsibility for the proper  
20 operation of the retirement system and for making effective the provisions of  
21 sections 169.010 to 169.141 are hereby vested in a board of trustees of seven  
22 persons as follows: four persons to be elected as trustees by the members and  
23 retired members of the public school retirement system created by sections  
24 169.010 to 169.141 and the public education employee retirement system created  
25 by sections 169.600 to 169.715; and three members appointed by the governor  
26 with the advice and consent of the senate. The first member appointed by the  
27 governor shall replace the commissioner of education for a term beginning August  
28 28, 1998. The other two members shall be appointed by the governor at the time  
29 each member's, who was appointed by the state board of education, term expires.

30           3. Trustees appointed and elected shall be chosen for terms of four years  
31 from the first day of July next following their appointment or election, except that  
32 one of the elected trustees shall be a member of the public education employee  
33 retirement system and shall be initially elected for a term of three years from  
34 July 1, 1991. The initial term of one other elected trustee shall commence on  
35 July 1, 1992.

36           4. Trustees appointed by the governor shall be residents of school districts  
37 included in the retirement system, but not employees of such districts or a state  
38 employee or a state elected official. At least one trustee so appointed shall be a  
39 retired member of the public school retirement system or the public education  
40 employee retirement system. Three elected trustees shall be members of the  
41 public school retirement system and one elected trustee shall be a member of the  
42 public education employee retirement system.

43           5. The elections of the trustees shall be arranged for, managed and  
44 conducted by the board of trustees of the retirement system.

45           6. If a vacancy occurs in the office of trustee, the vacancy shall be filled  
46 for the unexpired term in the same manner as the office was previously filled.

47           7. Trustees of the retirement system shall serve without compensation but  
48 they shall be reimbursed for expenses necessarily incurred through service on the  
49 board of trustees.

50           8. Each trustee shall be commissioned by the governor, and before

51 entering upon the duties of the trustee's office, shall take and subscribe to an  
52 oath or affirmation to support the Constitution of the United States, and of the  
53 state of Missouri and to demean himself or herself faithfully in the trustee's  
54 office. Such oath as subscribed to shall be filed in the office of secretary of state  
55 of this state.

56 9. Each trustee shall be entitled to one vote in the board of trustees. Four  
57 votes shall be necessary for a decision by the trustees at any meeting of the board  
58 of trustees. Unless otherwise expressly provided herein, a meeting need not be  
59 called or held to make any decision on a matter before the board. Each member  
60 must be sent by the executive director a copy of the matter to be decided with full  
61 information from the files of the board of trustees. The unanimous decision of  
62 four trustees may decide the issue by signing a document declaring their decision  
63 and sending such written instrument to the executive director of the board,  
64 provided that no other member of the board of trustees shall send a dissenting  
65 decision to the executive director of the board within fifteen days after such  
66 document and information was mailed to the trustee. If any member is not in  
67 agreement with four members the matter is to be passed on at a regular board  
68 meeting or a special meeting called for the purpose.

69 10. The board of trustees shall elect one of their number as chairman, and  
70 shall employ a full-time executive director, not one of their number, who shall be  
71 the executive officer of the board. Other employees of the board shall be chosen  
72 only upon the recommendation of the executive director.

73 11. The board of trustees shall employ an actuary who shall be its  
74 technical advisor on matters regarding the operation of the retirement system,  
75 and shall perform such duties as are essential in connection therewith, including  
76 the recommendation for adoption by the board of mortality and other necessary  
77 tables, and the recommendation of the level rate of contributions required for  
78 operation of the system.

79 12. As soon as practicable after the establishment of the retirement  
80 system, and annually thereafter, the actuary shall make a valuation of the  
81 system's assets and liabilities on the basis of such tables as have been adopted.

82 13. At least once in the three-year period following the establishment of  
83 the retirement system, and in each five-year period thereafter, the board of  
84 trustees shall cause to be made an actuarial investigation into the mortality,  
85 service, and compensation experience of the members and beneficiaries of the  
86 system, and shall make any changes in the mortality, service, and other tables

87 then in use which the results of the investigation show to be necessary.

88           14. Subject to the limitations of sections 169.010 to 169.141 and 169.600  
89 to 169.715, the board of trustees shall formulate and adopt rules and regulations  
90 for the government of its own proceedings and for the administration of the  
91 retirement system.

92           15. The board of trustees shall determine and decide all questions of  
93 doubt as to what constitutes employment within the meaning of sections 169.010  
94 to 169.141 and 169.600 to 169.715, the amount of benefits to be paid to members,  
95 retired members, beneficiaries and survivors and the amount of contributions to  
96 be paid by employer and employee. The executive director shall notify by  
97 certified mail both employer and member, retired member, beneficiary or survivor  
98 interested in such determination. Any member, retired member, beneficiary or  
99 survivor, district or employer adversely affected by such determination, at any  
100 time within thirty days after being notified of such determination, may appeal to  
101 the circuit court of Cole County. Such appeal shall be tried and determined anew  
102 in the circuit court and such court shall hear and consider any and all competent  
103 testimony relative to the issues in the case, which may be offered by either party  
104 thereto. The circuit court shall determine the rights of the parties under sections  
105 169.010 to 169.141 and 169.600 to 169.715 using the same standard provided in  
106 section 536.150, RSMo, and the judgment or order of such circuit court shall be  
107 binding upon the parties and the board shall carry out such judgment or order  
108 unless an appeal is taken from such decision of the circuit court. Appeals may  
109 be had from the circuit court by the employer, member, retired member,  
110 beneficiary, survivor or the board, in the manner provided by the civil code.

111           16. The board of trustees shall keep a record of all its proceedings, which  
112 shall be open to public inspection. It shall prepare annually a comprehensive  
113 annual financial report, the financial section of which shall be prepared in  
114 accordance with applicable accounting standards and shall include the  
115 independent auditor's opinion letter. The report shall also include information  
116 on the actuarial status and the investments of the system. The reports shall be  
117 preserved by the executive director and made available for public inspection.

118           17. The board of trustees shall provide for the maintenance of an  
119 individual account with each member, setting forth such data as may be  
120 necessary for a ready determination of the member's earnings, contributions, and  
121 interest accumulations. It shall also collect and keep in convenient form such  
122 data as shall be necessary for the preparation of the required mortality and

123 service tables and for the compilation of such other information as shall be  
124 required for the valuation of the system's assets and liabilities. All individually  
125 identifiable information pertaining to members, retirees, beneficiaries and  
126 survivors shall be confidential.

127         18. The board of trustees shall meet regularly at least twice each year,  
128 with the dates of such meetings to be designated in the rules and regulations  
129 adopted by the board. Such other meetings as are deemed necessary may be  
130 called by the chairman of the board or by any four members acting jointly.

131         19. The headquarters of the retirement system shall be in Jefferson City,  
132 where suitable office space, utilities and other services and equipment necessary  
133 for the operation of the system shall be provided by the board of trustees and all  
134 costs shall be paid from funds of the system. All suits [in which] **or**  
135 **proceedings directly or indirectly against** the board of trustees, the board's  
136 members or employees or the retirement system established by sections 169.010  
137 to 169.141 or 169.600 to 169.715 [are parties] shall be brought in Cole County.

138         20. The board may appoint an attorney or firm of attorneys to be the legal  
139 advisor to the board and to represent the board in legal proceedings, however, if  
140 the board does not make such an appointment, the attorney general shall be the  
141 legal advisor of the board of trustees, and shall represent the board in all legal  
142 proceedings.

143         21. The board of trustees shall arrange for adequate surety bonds covering  
144 the executive director. When approved by the board, such bonds shall be  
145 deposited in the office of the secretary of state of this state.

146         22. The board shall arrange for annual audits of the records and accounts  
147 of the system by a firm of certified public accountants, the state auditor shall  
148 review the audit of the records and accounts of the system at least once every  
149 three years and shall report the results to the board of trustees and the governor.

150         23. The board by its rules may establish an interest charge to be paid by  
151 the employer on any payments of contributions which are delinquent. The rate  
152 charged shall not exceed the actuarially assumed rate of return on invested funds  
153 of the pertinent system.

169.040. 1. All funds arising from the operation of sections 169.010 to  
2 169.141 shall belong to the retirement system herein created and shall be  
3 controlled by the board of trustees of that system which board shall provide for  
4 the collection of such funds, shall see that they are safely preserved, and shall  
5 permit their disbursement only for the purposes herein authorized. Such funds

6 and all other funds received by the retirement system are declared and shall be  
7 deemed to be the moneys and funds of the retirement system and not revenue  
8 collected or moneys received by the state and shall not be commingled with state  
9 funds.

10           2. The board shall invest all funds under its control which are in excess  
11 of a safe operating balance. The funds shall be invested only in those  
12 investments which a prudent person acting in a like capacity and familiar with  
13 these matters would use in the conduct of an enterprise of a like character and  
14 with like aims, as provided in section 105.688, RSMo. The board of trustees may  
15 delegate to duly appointed investment counselors authority to act in place of the  
16 board in the investment and reinvestment of all or part of the moneys of the  
17 system, and may also delegate to such counselors the authority to act in place of  
18 the board in the holding, purchasing, selling, assigning, transferring or disposing  
19 of any or all of the securities and investments in which such moneys shall have  
20 been invested, as well as the proceeds of such investments and such  
21 moneys. Such investment counselors shall be registered as investment advisors  
22 with the United States Securities and Exchange Commission. In exercising or  
23 delegating its investment powers and authority, members of the board shall  
24 exercise ordinary business care and prudence under the facts and circumstances  
25 prevailing at the time of the action or decision. No member of the board shall be  
26 liable for any action taken or omitted with respect to the exercise of, or delegation  
27 of, these powers and authority if such member shall have discharged the duties  
28 of his or her position in good faith and with that degree of diligence, care and  
29 skill which a prudent person acting in a like capacity and familiar with these  
30 matters would use in the conduct of an enterprise of a like character and with  
31 like aims.

32           3. **Notwithstanding the provisions of section 105.662, RSMo, the**  
33 **board may set up and maintain a public school and education employee**  
34 **retirement systems of Missouri investment fund account in which**  
35 **investment and reinvestment of all or part of the moneys of the system**  
36 **may be placed and be available for investment purposes. For the**  
37 **purpose of investing the funds of the retirement system, the funds may**  
38 **be combined with the funds of the public education employee**  
39 **retirement system of Missouri, but the funds of each system shall be**  
40 **accounted for separately and for all other reporting purposes shall be**  
41 **separate. The board of trustees may promulgate such and regulations**

42 consistent with the provisions of section 169.040 as deemed necessary  
43 for its proper administration, pursuant to the provisions of this section  
44 and this chapter. Any rule or portion of a rule, as that term is defined  
45 in section 536.010, RSMo, that is created under the authority delegated  
46 in this section shall become effective only if it complies with and is  
47 subject to all of the provisions of chapter 536, RSMo, and, if applicable,  
48 section 536.028, RSMo. This section and chapter 536, RSMo, are  
49 nonseverable and if any of the powers vested with the general assembly  
50 pursuant to chapter 536, RSMo, to review, to delay the effective date,  
51 or to disapprove and annul a rule are subsequently held  
52 unconstitutional, then the grant of rulemaking authority and any rule  
53 proposed or adopted after August 28, 2008, shall be invalid and void.

54 4. No investment transaction authorized by the board shall be handled by  
55 any company or firm in which a member of the board has an interest, nor shall  
56 any member of the board profit directly or indirectly from any such investment.  
57 All investments shall be made for the account of the retirement system, and any  
58 securities or other properties obtained by the board of trustees may be held by a  
59 custodian in the name of the retirement system, or in the name of a nominee in  
60 order to facilitate the expeditious transfer of such securities or other  
61 property. Such securities or other properties which are not available in  
62 registered form may be held in bearer form or in book entry form. The retirement  
63 system is further authorized to deposit, or have deposited for its account, eligible  
64 securities in a central depository system or clearing corporation or in a federal  
65 reserve bank under a book entry system as defined in the Uniform Commercial  
66 Code, sections 400.8-102 and 400.8-109, RSMo. When such eligible securities of  
67 the retirement system are so deposited with a central depository system they may  
68 be merged and held in the name of the nominee of such securities depository and  
69 title to such securities may be transferred by bookkeeping entry on the books of  
70 such securities depository or federal reserve bank without physical delivery of the  
71 certificates or documents representing such securities.

72 [4.] 5. With appropriate safeguards against loss by the system in any  
73 contingency, the board may designate a bank or trust company to serve as a  
74 depository of system funds and intermediary in the investment of those funds and  
75 payment of system obligations.

76 [5.] 6. All retirement allowances or other periodic payments paid by the  
77 board shall be paid to recipients of such payments by electronic funds transfer,

78 unless another method has been determined by the board to be appropriate. Each  
79 recipient of retirement allowances or other periodic payments shall designate a  
80 financial institution or other authorized payment agent and provide the board  
81 information necessary for the recipient to receive electronic funds transfer  
82 payments through the institution or agent designated. This subsection shall  
83 apply to retirement allowances and other periodic payments first paid on or after  
84 January 1, 1998, and shall apply to all retirement allowances and other periodic  
85 payments on and after January 1, 1999.

86 [6.] 7. The board of trustees may deliberate about, or make tentative or  
87 final decisions on, investments or other financial matters in a closed meeting  
88 under chapter 610, RSMo, if disclosure of the deliberations or decisions would  
89 jeopardize the ability to implement a decision or to achieve investment objectives.  
90 A record of the retirement system that discloses deliberations about, or a  
91 tentative decision on, investments or other financial matters is not a public record  
92 under chapter 610, RSMo, to the extent and so long as its disclosure would  
93 jeopardize the ability to implement a decision or to achieve investment objectives.

169.056. 1. Members who have accrued at least one year of membership  
2 service credit for employment in a position covered by this retirement system and  
3 who have covered employment with this retirement system following the service  
4 for which credit is being purchased may purchase membership service credit  
5 under the circumstances, terms and conditions provided in this section. With  
6 respect to each such purchase authorized by this section the following provisions  
7 apply:

8 (1) The purchase shall be effected by the member paying to the retirement  
9 system the amount the member would have contributed and the amount the  
10 employer would have contributed had such member been an employee for the  
11 number of years for which the member is electing to purchase credit, and had the  
12 member's compensation during such period been the highest annual salary rate  
13 on record with the retirement system on the date of election to purchase  
14 credit. For purposes of this section, "annual salary rate" means the annual salary  
15 rate for full-time service for the position of employment. The contribution rate  
16 used in determining the amount to be paid shall be the contribution rate in effect  
17 on the date of election to purchase credit. Notwithstanding the provisions of this  
18 subsection, for all elections to purchase credit received by the retirement system  
19 on or after January 1, 2006, the member shall receive credit based on the amount  
20 paid by the member for such credit and received by the retirement system by the

21 close of business on June thirtieth of each year. In lieu of charging the member  
22 interest on such purchase of credit, the amount to be paid by the member for any  
23 remaining credit the member has elected to purchase but has not paid for by  
24 **[June] September** thirtieth of each year shall be recalculated on the following  
25 **[July] October** first using the contribution rate in effect on that July first and  
26 the highest salary of record for the member as of that July first. For all elections  
27 to purchase credit received by the retirement system prior to January 1, 2006, the  
28 retirement system shall determine the cost of such purchase using the calculation  
29 method in effect for elections to purchase credit received by the retirement system  
30 on or after January 1, 2006, provided that the member shall have a one-time,  
31 irrevocable option to continue to have the cost of such purchase be determined  
32 using the calculation method in effect at the time of such election to purchase  
33 such credit. To be effective, such option must be elected by the member on a form  
34 approved by the retirement system and such form must be received by the  
35 retirement system by the close of business on June 30, 2006. The retirement  
36 system **[reserves the right to] may prohibit a purchase, impose additional**  
37 **requirements for making a purchase, or** limit the amount of credit  
38 purchased **[by the member in any year if the amounts paid by the member in that**  
39 **year would exceed any applicable contribution limits set forth in] if necessary**  
40 **for the retirement system to comply with federal law, including but not**  
41 **limited to, the provisions of** Section 415 of Title 26 of the United States  
42 Code. **The board of trustees may promulgate such rules and regulations**  
43 **consistent with the provisions of section 169.056 as shall deem**  
44 **necessary for its proper administration, pursuant to the provisions of**  
45 **this section and this chapter. Any rule or portion of a rule, as that**  
46 **term is defined in section 536.010, RSMo, that is created under the**  
47 **authority delegated in this section shall become effective only if it**  
48 **complies with and is subject to all of the provisions of chapter 536,**  
49 **RSMo, and, if applicable, section 536.028, RSMo. This section and**  
50 **chapter 536, RSMo, are nonseverable and if any of the powers vested**  
51 **with the general assembly pursuant to chapter 536, RSMo, to review, to**  
52 **delay the effective date, or to disapprove and annul a rule are**  
53 **subsequently held unconstitutional, then the grant of rulemaking**  
54 **authority and any rule proposed or adopted after August 28, 2008, shall**  
55 **be invalid and void;**

56 (2) Membership service credit purchased pursuant to this section shall be

57 deemed to be membership service in Missouri for purposes of subsection 7 of  
58 section 169.070;

59 (3) An election to purchase membership service credit pursuant to this  
60 section and payment for the purchase shall be completed prior to termination of  
61 membership with the retirement system with interest on the unpaid balance;

62 (4) Members may purchase membership service credit in increments of  
63 one-tenth of a year, and multiple elections to purchase may be made;

64 (5) Additional terms and conditions applicable to purchase made pursuant  
65 to this section including, but not limited to, minimum payments, payment  
66 schedules and provisions applicable when a member fails to complete payment  
67 may be set by rules of the board.

68 2. Membership service credit shall not be allowed pursuant to this section  
69 or sections 169.570 and 169.577 which exceeds in length the member's  
70 membership service credit for employment in a position covered by this system,  
71 and in no event may the member receive membership service credit with both this  
72 system and another public retirement system for the same service.

73 3. A member who was employed for at least twenty hours per week on a  
74 regular basis by a public school district, public junior college, public community  
75 college, public college, or public university, either inside or outside of this state,  
76 may elect to purchase equivalent membership service credit.

77 4. A member who has served in the armed forces of the United States of  
78 America and who was discharged or separated from the armed forces by other  
79 than a dishonorable discharge may elect to purchase membership service for the  
80 period of active duty service in the armed forces.

81 5. Any member granted unpaid maternity or paternity leave for a period,  
82 from a position covered by the retirement system, who returned to employment  
83 in such a position, may elect to purchase membership service credit for the period  
84 of leave.

85 6. Any member who is or was certified as a vocational-technical teacher  
86 on the basis of having a college degree or who was required to have a period of  
87 work experience of at least two years in the area of the subject being taught in  
88 order to qualify for such certification may, upon written application to the board,  
89 purchase equivalent membership service credit for such work experience which  
90 shall not exceed the two years necessary for certification if the work experience  
91 was in the area that the member taught or is teaching and was completed in two  
92 years.

93           7. Any member who had membership service credit with the public  
94 education employee retirement system of Missouri governed by sections 169.600  
95 to 169.715 but which membership service credit was forfeited by withdrawal or  
96 refund may elect to purchase credit for such service. The public education  
97 employee retirement system of Missouri shall transfer to this system an amount  
98 equal to the employer contributions for the forfeited service being purchased, plus  
99 interest, which shall be applied to reduce the amount the member would  
100 otherwise pay for the purchase, provided that the amount transferred shall not  
101 exceed one-half of the purchase cost.

102           8. A member may elect to purchase membership service credit for service  
103 rendered while on leave from an employer, as defined in section 169.010, for a  
104 not-for-profit corporation or agency whose primary purpose is support of  
105 education or education research, if the member was employed by that  
106 organization to serve twenty or more hours per week on a regular basis.

107           9. A member who was employed by a private school, private junior college,  
108 private community college, private college, or private university, either inside or  
109 outside of this state, for at least twenty hours per week on a regular basis, may  
110 elect to purchase equivalent membership service credit for such service rendered.

111           10. A member who was employed in nonfederal public employment for at  
112 least twenty hours a week on a regular basis shall be permitted to purchase  
113 equivalent creditable service in the retirement system for such employment  
114 subject to provisions of this section.

115           11. A member who, while eighteen years of age or older, was employed in  
116 a position covered by Social Security for at least twenty hours a week on a  
117 regular basis shall be permitted to purchase equivalent creditable service in the  
118 retirement system for such employment subject to provisions of this section.

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.

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, 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  
56 provision that:

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

64 OR

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

72 OR

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

80 OR

81 Option 5. Upon the death of the member prior to the member having  
82 received one hundred twenty monthly payments of the member's reduced

83 allowance, the remainder of the one hundred twenty monthly payments of the  
84 reduced allowance shall be paid to such beneficiary as the member shall have  
85 nominated in the member's election of the option or in a subsequent nomination.  
86 If there is no beneficiary so nominated who survives the member for the  
87 remainder of the one hundred twenty monthly payments, the total of the  
88 remainder of such one hundred twenty monthly payments shall be paid to the **(1)**  
89 **surviving spouse, (2) surviving children in equal shares, (3) surviving**  
90 **parents in equal shares, or (4)** estate of the last person to receive a monthly  
91 allowance **in a lump sum payment**. If the total of the one hundred twenty  
92 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 **(1) surviving spouse, (2) surviving children in equal shares,**  
104 **(3) surviving parents in equal shares, or (4)** estate of the last person to  
105 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 (1) surviving spouse, (2) surviving children  
141 in equal shares, (3) surviving parents in equal shares, or (4) estate of the  
142 individual in that order of precedence. If an optional benefit as provided in  
143 option 2, 3 or 4 in subsection 3 of this section had been elected, and the  
144 beneficiary dies after receiving the optional benefit, and if the total retirement  
145 allowance paid to the retired individual and the beneficiary of the retired  
146 individual is less than the total of the contributions, the difference shall be paid  
147 to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving  
148 parents in equal shares, or (4) estate of the beneficiary, in that order of  
149 precedence, unless the retired individual designates a different recipient with the  
150 board at or after retirement.

151 **5. If a member dies and their financial institution is unable to**  
152 **accept the final payment or payments due to the member, the final**  
153 **payment or payments shall be paid to the beneficiary of the member or,**  
154 **if there is no beneficiary, to the (1) surviving spouse, (2) surviving**

155 **children in equal shares, (3) surviving parents in equal shares, or (4)**  
156 **estate of the member in that order of precedence, unless otherwise**  
157 **stated. If the beneficiary of a deceased member dies and their financial**  
158 **institution is unable to accept the final payment or payments, the final**  
159 **payment or payments shall be paid to the (1) surviving spouse, (2)**  
160 **surviving children in equal shares, (3) surviving parents in equal**  
161 **shares, or (4) estate of the member in that order of precedence, unless**  
162 **otherwise stated.**

163           **6.** If a member dies before receiving a retirement allowance, the member's  
164 accumulated contributions at the time of the death of the member shall be paid  
165 to the beneficiary of the member or, if there is no beneficiary, to the (1) surviving  
166 spouse, (2) surviving children in equal shares, (3) surviving parents in equal  
167 shares, or (4) to the estate of the member in that order of precedence; except that,  
168 no such payment shall be made if the beneficiary elects option 2 in subsection 3  
169 of this section, unless the beneficiary dies before having received benefits  
170 pursuant to that subsection equal to the accumulated contributions of the  
171 member, in which case the amount of accumulated contributions in excess of the  
172 total benefits paid pursuant to that subsection shall be paid to the (1) surviving  
173 spouse, (2) surviving children in equal shares, (3) surviving parents in equal  
174 shares, or (4) estate of the beneficiary, in that order of precedence.

175           **[6.] 7.** If a member ceases to be a public school employee as herein  
176 defined and certifies to the board of trustees that such cessation is permanent,  
177 or if the membership of the person is otherwise terminated, the member shall be  
178 paid the member's accumulated contributions with interest.

179           **[7.] 8.** Notwithstanding any provisions of sections 169.010 to 169.141 to  
180 the contrary, if a member ceases to be a public school employee after acquiring  
181 five or more years of membership service in Missouri, the member may at the  
182 option of the member leave the member's contributions with the retirement  
183 system and claim a retirement allowance any time after reaching the minimum  
184 age for voluntary retirement. When the member's claim is presented to the  
185 board, the member shall be granted an allowance as provided in sections 169.010  
186 to 169.141 on the basis of the member's age, years of service, and the provisions  
187 of the law in effect at the time the member requests the member's retirement to  
188 become effective.

189           **[8.] 9.** The retirement allowance of a member retired because of disability  
190 shall be nine-tenths of the allowance to which the member's creditable service

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

199 [9.] 10. Notwithstanding any provisions of sections 169.010 to 169.141  
200 to the contrary, from October 13, 1961, the contribution rate pursuant to sections  
201 169.010 to 169.141 shall be multiplied by the factor of two-thirds for any member  
202 of the system for whom federal Old Age and Survivors Insurance tax is paid from  
203 state or local tax funds on account of the member's employment entitling the  
204 person to membership in the system. The monetary benefits for a member who  
205 elected not to exercise an option to pay into the system a retroactive contribution  
206 of four percent on that part of the member's annual salary rate which was in  
207 excess of four thousand eight hundred dollars but not in excess of eight thousand  
208 four hundred dollars for each year of employment in a position covered by this  
209 system between July 1, 1957, and July 1, 1961, as provided in subsection 10 of  
210 this section as it appears in RSMo, 1969, shall be the sum of:

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

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

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

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

224 [10.] 11. The monetary benefits for each other member for whom federal  
225 Old Age and Survivors Insurance tax is or was paid at any time from state or  
226 local funds on account of the member's employment entitling the member to

227 membership in the system shall be the sum of:

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

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

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

236 [11.] 12. Any retired member of the system who was retired prior to  
237 September 1, 1972, or beneficiary receiving payments under option 1 or option 2  
238 of subsection 3 of this section, as such option existed prior to September 1, 1972,  
239 will be eligible to receive an increase in the retirement allowance of the member  
240 of two percent for each year, or major fraction of more than one-half of a year,  
241 which the retired member has been retired prior to July 1, 1975. This increased  
242 amount shall be payable commencing with January, 1976, and shall thereafter  
243 be referred to as the member's retirement allowance. The increase provided for  
244 in this subsection shall not affect the retired member's eligibility for  
245 compensation provided for in section 169.580 or 169.585, nor shall the amount  
246 being paid pursuant to these sections be reduced because of any increases  
247 provided for in this section.

248 [12.] 13. If the board of trustees determines that the cost of living, as  
249 measured by generally accepted standards, increases two percent or more in the  
250 preceding fiscal year, the board shall increase the retirement allowances which  
251 the retired members or beneficiaries are receiving by two percent of the amount  
252 being received by the retired member or the beneficiary at the time the annual  
253 increase is granted by the board with the provision that the increases provided  
254 for in this subsection shall not become effective until the fourth January first  
255 following the member's retirement or January 1, 1977, whichever later occurs, or  
256 in the case of any member retiring on or after July 1, 2000, the increase provided  
257 for in this subsection shall not become effective until the third January first  
258 following the member's retirement, or in the case of any member retiring on or  
259 after July 1, 2001, the increase provided for in this subsection shall not become  
260 effective until the second January first following the member's  
261 retirement. Commencing with January 1, 1992, if the board of trustees  
262 determines that the cost of living has increased five percent or more in the

263 preceding fiscal year, the board shall increase the retirement allowances by five  
264 percent. The total of the increases granted to a retired member or the beneficiary  
265 after December 31, 1976, may not exceed eighty percent of the retirement  
266 allowance established at retirement or as previously adjusted by other  
267 subsections. If the cost of living increases less than five percent, the board of  
268 trustees may determine the percentage of increase to be made in retirement  
269 allowances, but at no time can the increase exceed five percent per year. If the  
270 cost of living decreases in a fiscal year, there will be no increase in allowances for  
271 retired members on the following January first.

272 [13.] 14. The board of trustees may reduce the amounts which have been  
273 granted as increases to a member pursuant to subsection [12] 13 of this section  
274 if the cost of living, as determined by the board and as measured by generally  
275 accepted standards, is less than the cost of living was at the time of the first  
276 increase granted to the member; except that, the reductions shall not exceed the  
277 amount of increases which have been made to the member's allowance after  
278 December 31, 1976.

279 [14.] 15. Any application for retirement shall include a sworn statement  
280 by the member certifying that the spouse of the member at the time the  
281 application was completed was aware of the application and the plan of  
282 retirement elected in the application.

283 [15.] 16. Notwithstanding any other provision of law, any person retired  
284 prior to September 28, 1983, who is receiving a reduced retirement allowance  
285 under option 1 or option 2 of subsection 3 of this section, as such option existed  
286 prior to September 28, 1983, and whose beneficiary nominated to receive  
287 continued retirement allowance payments under the elected option dies or has  
288 died, shall upon application to the board of trustees have his or her retirement  
289 allowance increased to the amount he or she would have been receiving had the  
290 option not been elected, actuarially adjusted to recognize any excessive benefits  
291 which would have been paid to him or her up to the time of application.

292 [16.] 17. Benefits paid pursuant to the provisions of the public school  
293 retirement system of Missouri shall not exceed the limitations of Section 415 of  
294 Title 26 of the United States Code except as provided pursuant to this  
295 subsection. Notwithstanding any other law to the contrary, the board of trustees  
296 may establish a benefit plan pursuant to Section 415(m) of Title 26 of the United  
297 States Code. Such plan shall be created solely for the purpose described in  
298 Section 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees

299 may promulgate regulations necessary to implement the provisions of this  
300 subsection and to create and administer such benefit plan.

301 [17.] 18. Notwithstanding any other provision of law to the contrary, any  
302 person retired before, on, or after May 26, 1994, shall be made, constituted,  
303 appointed and employed by the board as a special consultant on the matters of  
304 education, retirement and aging, and upon request shall give written or oral  
305 opinions to the board in response to such requests. As compensation for such  
306 duties the person shall receive an amount based on the person's years of service  
307 so that the total amount received pursuant to sections 169.010 to 169.141 shall  
308 be at least the minimum amounts specified in subdivisions (1) to (4) of this  
309 subsection. In determining the minimum amount to be received, the amounts in  
310 subdivisions (3) and (4) of this subsection shall be adjusted in accordance with the  
311 actuarial adjustment, if any, that was applied to the person's retirement  
312 allowance. In determining the minimum amount to be received, beginning  
313 September 1, 1996, the amounts in subdivisions (1) and (2) of this subsection  
314 shall be adjusted in accordance with the actuarial adjustment, if any, that was  
315 applied to the person's retirement allowance due to election of an optional form  
316 of retirement having a continued monthly payment after the person's  
317 death. Notwithstanding any other provision of law to the contrary, no person  
318 retired before, on, or after May 26, 1994, and no beneficiary of such a person,  
319 shall receive a retirement benefit pursuant to sections 169.010 to 169.141 based  
320 on the person's years of service less than the following amounts:

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

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

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

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

327 [18.] 19. Notwithstanding any other provisions of law to the contrary,  
328 any person retired prior to May 26, 1994, and any designated beneficiary of such  
329 a retired member who was deceased prior to July 1, 1999, shall be made,  
330 constituted, appointed and employed by the board as a special consultant on the  
331 matters of education, retirement or aging and upon request shall give written or  
332 oral opinions to the board in response to such requests. Beginning September 1,  
333 1996, as compensation for such service, the member shall have added, pursuant  
334 to this subsection, to the member's monthly annuity as provided by this section

335 a dollar amount equal to the lesser of sixty dollars or the product of two dollars  
336 multiplied by the member's number of years of creditable service. Beginning  
337 September 1, 1999, the designated beneficiary of the deceased member shall as  
338 compensation for such service have added, pursuant to this subsection, to the  
339 monthly annuity as provided by this section a dollar amount equal to the lesser  
340 of sixty dollars or the product of two dollars multiplied by the member's number  
341 of years of creditable service. The total compensation provided by this section  
342 including the compensation provided by this subsection shall be used in  
343 calculating any future cost-of-living adjustments provided by subsection 12 of this  
344 section.

345 [19.] **20.** Any member who has retired prior to July 1, 1998, and the  
346 designated beneficiary of a deceased retired member shall be made, constituted,  
347 appointed and employed by the board as a special consultant on the matters of  
348 education, retirement and aging, and upon request shall give written or oral  
349 opinions to the board in response to such requests. As compensation for such  
350 duties the person shall receive a payment equivalent to eight and seven-tenths  
351 percent of the previous month's benefit, which shall be added to the member's or  
352 beneficiary's monthly annuity and which shall not be subject to the provisions of  
353 subsections [12 and] 13 **and 14** of this section for the purposes of the limit on the  
354 total amount of increases which may be received.

355 [20.] **21.** Any member who has retired shall be made, constituted,  
356 appointed and employed by the board as a special consultant on the matters of  
357 education, retirement and aging, and upon request shall give written or oral  
358 opinions to the board in response to such request. As compensation for such  
359 duties, the beneficiary of the retired member, or, if there is no beneficiary, the (1)  
360 surviving spouse, (2) surviving children in equal shares, (3) surviving parents in  
361 equal shares, or (4) estate of the retired member, in that order of precedence,  
362 shall receive as a part of compensation for these duties a death benefit of five  
363 thousand dollars.

364 [21.] **22.** Any member who has retired prior to July 1, 1999, and the  
365 designated beneficiary of a retired member who was deceased prior to July 1,  
366 1999, shall be made, constituted, appointed and employed by the board as a  
367 special consultant on the matters of education, retirement and aging, and upon  
368 request shall give written or oral opinions to the board in response to such  
369 requests. As compensation for such duties, the person shall have added,  
370 pursuant to this subsection, to the monthly annuity as provided by this section

371 a dollar amount equal to five dollars times the member's number of years of  
372 creditable service.

373 [22.] **23.** Any member who has retired prior to July 1, 2000, and the  
374 designated beneficiary of a deceased retired member shall be made, constituted,  
375 appointed and employed by the board as a special consultant on the matters of  
376 education, retirement and aging, and upon request shall give written or oral  
377 opinions to the board in response to such requests. As compensation for such  
378 duties, the person shall receive a payment equivalent to three and five-tenths  
379 percent of the previous month's benefit, which shall be added to the member or  
380 beneficiary's monthly annuity and which shall not be subject to the provisions of  
381 subsections [12 and] 13 **and 14** of this section for the purposes of the limit on the  
382 total amount of increases which may be received.

383 [23.] **24.** Any member who has retired prior to July 1, 2001, and the  
384 designated beneficiary of a deceased retired member shall be made, constituted,  
385 appointed and employed by the board as a special consultant on the matters of  
386 education, retirement and aging, and upon request shall give written or oral  
387 opinions to the board in response to such requests. As compensation for such  
388 duties, the person shall receive a dollar amount equal to three dollars times the  
389 member's number of years of creditable service, which shall be added to the  
390 member's or beneficiary's monthly annuity and which shall not be subject to the  
391 provisions of subsections [12 and] 13 **and 14** of this section for the purposes of  
392 the limit on the total amount of increases which may be received.

169.090. Neither the funds belonging to the retirement system nor any  
2 benefit accrued or accruing to any person under the provisions of sections 169.010  
3 to 169.130 shall be subject to execution, garnishment, attachment or any other  
4 process whatsoever, nor shall they be assignable, except **in a proceeding**  
5 **instituted for spousal maintenance or child support and** as in sections  
6 169.010 to 169.130 specifically provided.

169.130. 1. Any person, duly certified under the law governing the  
2 certification of teachers, employed full time as a teacher by the division of youth  
3 services prior to August 13, 1986, who did not become a member of the Missouri  
4 state employees' retirement system under section 104.342, RSMo, is a member of  
5 the public school retirement system of Missouri. Any such person who becomes  
6 a member before the end of the school year next following July 18, 1948, may  
7 claim and receive credit for prior service. The contributions required to be made  
8 by the member's employer shall be paid from appropriations to the institution by

9 which the member is employed.

10 2. Any person, duly certified under the law governing the certification of  
11 teachers, employed full time as a teacher by a division of the state department  
12 of social services prior to August 13, 1986, who did not become a member of the  
13 Missouri state employees' retirement system under section 104.342, RSMo, who  
14 renders services in a school whose standards of education are set and which is  
15 supervised by a public school officer of the county in which the school is located,  
16 by the department of elementary and secondary education or by the coordinating  
17 board for higher education is a member of the public school retirement system of  
18 Missouri. Any such member who becomes a member before the end of the school  
19 year next following August 29, 1953, may claim and receive credit for prior  
20 service.

21 3. Any person, duly certified under the law governing the certification of  
22 teachers, employed full time as a teacher by the section of inmate education of the  
23 department of corrections prior to August 13, 1986, who did not become a member  
24 of the Missouri state employees' retirement system under section 104.342, RSMo,  
25 is a member of the public school retirement system of Missouri. Any such person  
26 who becomes a member before the end of the school year next following August  
27 29, 1959, may claim and receive credit for prior service. For purposes of this  
28 subsection "prior service" means service rendered by a member of the retirement  
29 system before the system becomes operative with respect to persons employed by  
30 the section of inmate education, and may include service rendered by a member  
31 of the armed forces during a period of war, if the member was a teacher at the  
32 time he was inducted, for which credit has been approved by the board of  
33 trustees.

34 4. Any person, duly certificated under the law governing the certification  
35 of teachers, employed full time by any statewide nonprofit educational association  
36 or organization serving on an educational professional basis through its  
37 membership the active members of the public school retirement system of  
38 Missouri or the public school districts maintaining high schools in this state, may  
39 be a member of the public school retirement system of Missouri. Any such person  
40 who becomes a member before July 1, 1955, may claim and receive credit for prior  
41 service. The contributions required to be made by the member's employer shall  
42 be paid by the association or organization. **After June 30, 2009, no additional**  
43 **nonprofit educational associations or organizations may have their**  
44 **employees become members of the public school retirement system of**

45 **Missouri or the public education employee retirement system of**  
46 **Missouri.**

47           5. Any person, duly certificated under the law governing the certification  
48 of teachers, employed full time, and whose duties include participation in the  
49 educational program of the department of mental health, in either a teaching or  
50 supervisory teaching capacity prior to August 13, 1986, who did not become a  
51 member of the Missouri state employees' retirement system under section  
52 104.342, RSMo, shall, after August 7, 1969, be a member of the public school  
53 retirement system, but any such person whose employment with the department  
54 of mental health commenced prior to August 7, 1969, may elect not to become a  
55 member by so notifying the department of mental health in writing within thirty  
56 days after August 7, 1969.

169.630. 1. All funds arising from the operation of sections 169.600 to  
2 169.715 shall belong to the retirement system created in sections 169.600 to  
3 169.715 and shall be controlled by the board of trustees and that board shall  
4 provide for the collection of these funds, see that they are safely preserved, and  
5 shall permit their disbursement only for the purposes authorized in sections  
6 169.600 to 169.715. These funds are declared and shall be deemed to be the  
7 moneys and funds of this retirement system and not general funds of the state  
8 and shall not be commingled with any state funds or other retirement  
9 funds. Solely for the purpose of investing the funds of the retirement system, the  
10 funds may be combined with the funds of the public school retirement system of  
11 Missouri, but the funds of each system shall be accounted for separately and for  
12 all other purposes shall be separate.

13           2. The board shall invest all funds under its control which are in excess  
14 of a safe operating balance. The investment shall be made only in securities  
15 authorized and pursuant to the same standards set for investment by section  
16 169.040.

17           3. **Notwithstanding the provisions of section 105.662, RSMo, the**  
18 **board may set up and maintain a public school and education employee**  
19 **retirement systems of Missouri investment fund account in which**  
20 **investment and reinvestment of all or part of the moneys of the system**  
21 **may be placed and be available for investment purposes. For the**  
22 **purpose of investing the funds of the retirement system, the funds may**  
23 **be combined with the funds of the public school retirement system of**  
24 **Missouri, but the funds of each system shall be accounted for separately**

25 **and for all other reporting purposes shall be separate. The board of**  
26 **trustees may promulgate such and regulations consistent with the**  
27 **provisions of sections 169.040 as shall deem necessary for its proper**  
28 **administration, pursuant to the provisions of this section and this**  
29 **chapter. Any rule or portion of a rule, as that term is defined in section**  
30 **536.010, RSMo, that is created under the authority delegated in this**  
31 **section shall become effective only if it complies with and is subject to**  
32 **all of the provisions of chapter 536, RSMo, and, if applicable, section**  
33 **536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**  
34 **and if any of the powers vested with the general assembly pursuant to**  
35 **chapter 536, RSMo, to review, to delay the effective date, or to**  
36 **disapprove and annul a rule are subsequently held unconstitutional,**  
37 **then the grant of rulemaking authority and any rule proposed or**  
38 **adopted after August 28, 2008, shall be invalid and void.**

39       4. No investment transaction authorized by the board shall be handled by  
40 any company or firm in which a member of the board has an interest, nor shall  
41 any member of the board profit directly or indirectly from any such investment.  
42 All investments shall be made for the account of the retirement system, and any  
43 securities or other properties obtained by the board of trustees may be held by a  
44 custodian in the name of the retirement system, or in the name of a nominee in  
45 order to facilitate the expeditious transfer of such securities or other  
46 property. Such securities or other properties which are not available in  
47 registered form may be held in bearer form or in book entry form. The retirement  
48 system is further authorized to deposit, or have deposited for its account, eligible  
49 securities in a central depository system or clearing corporation or in a federal  
50 reserve bank under a book entry system as defined in the Uniform Commercial  
51 Code, sections 400.8-102 and 400.8-108, RSMo. When such eligible securities of  
52 the retirement system are so deposited with a central depository system, the  
53 securities may be merged and held in the name of the nominee of such securities  
54 depository and title to such securities may be transferred by bookkeeping entry  
55 on the books of such securities depository or federal reserve bank without  
56 physical delivery of the certificates or documents representing such securities.

57       [4.] 5. With appropriate safeguards against loss by the system in any  
58 contingency, the board may designate a bank or trust company to serve as a  
59 depository of system funds and intermediary in the investment of those funds and  
60 payment of system obligations.

61 [5.] 6. All retirement allowances or other periodic payments paid by the  
62 board shall be paid to recipients of such payments by electronic funds transfer,  
63 unless another method has been determined by the board to be appropriate. Each  
64 recipient of retirement allowances or other periodic payments shall designate a  
65 financial institution or other authorized payment agent and provide the board  
66 information necessary for the recipient to receive electronic funds transfer  
67 payments through the institution or agent designated. This subsection shall  
68 apply to retirement allowances and other periodic payments first paid on or after  
69 January 1, 1998, and shall apply to all retirement allowances and other periodic  
70 payments on and after January 1, 1999.

71 [6.] 7. The board of trustees may deliberate about, or make tentative or  
72 final decisions on, investments or other financial matters in a closed meeting  
73 under chapter 610, RSMo, if disclosure of the deliberations or decisions would  
74 jeopardize the ability to implement a decision or to achieve investment objectives.  
75 A record of the retirement system that discloses deliberations about, or a  
76 tentative or final decision on, investments or other financial matters is not a  
77 public record under chapter 610, RSMo, to the extent and so long as its disclosure  
78 would jeopardize the ability to implement a decision or to achieve investment  
79 objectives.

169.650. 1. On and after October 13, 1965, all employees as defined in  
2 section 169.600 of districts included in this retirement system shall be members  
3 of the system by virtue of their employment, and all persons who had five years  
4 of prior service who were employees of districts included in sections 169.600 to  
5 169.710 during the school year next preceding October 13, 1965, but who ceased  
6 to be employees prior to October 13, 1965, because of physical disability, shall be  
7 members of this system by virtue of that prior service. Individuals who qualify  
8 as independent contractors under the common law and are treated as such by  
9 their employer shall not be considered employees for purposes of membership in  
10 or contributions to the retirement system.

11 2. Any member who rendered service prior to November 1, 1965, as an  
12 employee as defined in section 169.600 in a district or junior college district  
13 included in the system may claim credit for that service by filing with the board  
14 of trustees a complete and detailed record of the service for which the credit is  
15 claimed, together with such supporting evidence as the board may require for  
16 verification of the record. To the extent that the board finds the record correct,  
17 it shall credit the claimant with prior service and shall notify the claimant of its

18 decision.

19           3. Membership shall be terminated by failure of a member to earn any  
20 membership service credit as a public school employee under this system for five  
21 consecutive school years, by death, withdrawal of contributions, or retirement.

22           4. If a member withdraws or is refunded the member's contributions, the  
23 member shall thereby forfeit any creditable service the member may have;  
24 provided, however, if such person again becomes a member of the system, the  
25 member may elect prior to retirement to reinstate any creditable service forfeited  
26 at the times of previous withdrawals or refunds. The reinstatement shall be  
27 effected by the member paying to the retirement system, with interest, the  
28 amount of accumulated contributions withdrawn by the member or refunded to  
29 the member with respect to the service being reinstated. A member may  
30 reinstate less than the total service previously forfeited, in accordance with rules  
31 promulgated by the board of trustees. The payment shall be completed prior to  
32 termination of membership with the retirement system with interest on the  
33 unpaid balance; provided, however, that if a member is retired on disability  
34 before completing such payments, the balance due, with interest, shall be  
35 deducted from the member's disability retirement allowance.

36           5. Any person who is an employee of any statewide nonprofit educational  
37 association or organization serving the active membership of the public education  
38 employee retirement system of Missouri and who works at least twenty hours per  
39 week on a regular basis in a position which is not covered by the public school  
40 retirement system of Missouri may be a member of the public education employee  
41 retirement system of Missouri. Certificated employees of such statewide  
42 nonprofit educational association or organization may not be members of the  
43 public school retirement system of Missouri unless such association or  
44 organization makes separate application pursuant to subsection 4 of section  
45 169.130. The contributions required to be made by the employee will be deducted  
46 from salary and matched by the association or organization. **After June 30,**  
47 **2009, no additional nonprofit educational associations or organizations**  
48 **may have their employee become members of the public school**  
49 **retirement system of Missouri or the public education employee**  
50 **retirement system of Missouri.**

169.655. 1. Members who have accrued at least one year of membership  
2 service credit for employment in a position covered by this retirement system and  
3 who have covered employment with this retirement system following the service

4 for which credit is being purchased may purchase membership service credit  
5 under the circumstances, terms and conditions provided in this section. With  
6 respect to each such purchase authorized by this section the following provisions  
7 apply:

8 (1) The purchase shall be effected by the member paying to the retirement  
9 system the amount the member would have contributed and the amount the  
10 employer would have contributed had such member been an employee for the  
11 number of years for which the member is electing to purchase credit, and had the  
12 member's compensation during such period been the highest annual salary rate  
13 on record with the retirement system on the date of election to purchase  
14 credit. The contribution rate used in determining the amount to be paid shall be  
15 the contribution rate in effect on the date of election to purchase  
16 credit. Notwithstanding the provisions of this subsection, for all elections to  
17 purchase credit received by the retirement system on or after January 1, 2006,  
18 the member shall receive credit based on the amount paid by the member for such  
19 credit and received by the retirement system by the close of business on June  
20 thirtieth of each year. In lieu of charging the member interest on such purchase  
21 of credit, the amount to be paid by the member for any remaining credit the  
22 member has elected to purchase but has not paid for by ~~[June]~~ **September**  
23 thirtieth of each year shall be recalculated on the following ~~[July]~~ **October** first  
24 using the contribution rate in effect on that July first and the highest salary of  
25 record for the member as of that July first. For all elections to purchase credit  
26 received by the retirement system prior to January 1, 2006, the retirement system  
27 shall determine the cost of such purchase using the calculation method in effect  
28 for elections to purchase credit received by the retirement system on or after  
29 January 1, 2006, provided that the member shall have a one-time, irrevocable  
30 option to continue to have the cost of such purchase be determined using the  
31 calculation method in effect at the time of such election to purchase such credit.  
32 To be effective, such option must be elected by the member on a form approved  
33 by the retirement system and such form must be received by the retirement  
34 system by the close of business on June 30, 2006. The retirement system reserves  
35 the right to **prohibit a purchase, impose additional requirements for**  
36 **making a purchase, or** limit the amount of credit purchased [by the member  
37 in any year if the amounts paid by the member in that year would exceed any  
38 applicable contribution limits set forth in] **if necessary for the retirement**  
39 **system to comply with federal law, including but not limited to, the**

40 **provisions of** Section 415 of Title 26 of the United States Code;

41 (2) Membership service credit purchased pursuant to this section shall be  
42 deemed to be membership service as defined in subdivision (10) of section  
43 169.600;

44 (3) An election to purchase membership service credit pursuant to this  
45 section and payment for the purchase shall be completed prior to termination of  
46 membership with the retirement system with interest on the unpaid balance;

47 (4) Members may purchase membership service credit in increments of  
48 one-tenth of a year, and multiple elections to purchase may be made;

49 (5) Additional terms and conditions applicable to purchases made  
50 pursuant to this section including, but not limited to, minimum payments,  
51 payment schedules and provisions applicable when a member fails to complete  
52 payment may be set by rules of the board.

53 2. Membership service credit shall not be allowed pursuant to this section  
54 or sections 169.570 and 169.577 which exceeds in length the member's  
55 membership service credit for employment in a position covered by this system,  
56 and in no event may the member receive membership service credit with both this  
57 system and another public retirement system for the same service.

58 3. A member who was employed for at least twenty hours per week on a  
59 regular basis by a public school district, public junior college, public community  
60 college, public college, or public university, either inside or outside of this state,  
61 may elect to purchase equivalent membership service credit.

62 4. A member who has served in the armed forces of the United States of  
63 America and who was discharged or separated from the armed forces by other  
64 than a dishonorable discharge may elect to purchase membership service credit  
65 for the period of active duty service in the armed forces.

66 5. Any member granted unpaid maternity or paternity leave for a period,  
67 from a position covered by the retirement system, who returned to employment  
68 in such a position, may elect to purchase membership service credit for the period  
69 of leave.

70 6. Any member who is or was certified as a vocational-technical teacher  
71 on the basis of having a college degree or who was required to have a period of  
72 work experience of at least two years in the area of the subject being taught in  
73 order to qualify for such certification may, upon written application to the board,  
74 purchase equivalent membership service credit for such work experience which  
75 shall not exceed the two years necessary for certification if the work experience

76 was in the area that the member taught or is teaching and was completed in two  
77 years.

78           7. Any member who had membership service credit with the public school  
79 retirement system of Missouri governed by sections 169.010 to 169.141 but which  
80 membership service credit was forfeited by withdrawal or refund may elect to  
81 purchase credit for such service. The public school retirement system of Missouri  
82 shall transfer to this system an amount equal to the employer contributions for  
83 the forfeited service being purchased, plus interest, which shall be applied to  
84 reduce the amount the member would otherwise pay for the purchase, provided  
85 that the amount transferred shall not exceed one-half of the purchase cost.

86           8. A member may elect to purchase membership service credit for service  
87 rendered while on leave from an employer, as defined in section 169.600, for a  
88 not-for-profit corporation or agency whose primary purpose is support of  
89 education or education research if the member was employed by that organization  
90 to serve twenty or more hours per week on a regular basis.

91           9. A member who was employed by a private school, private junior college,  
92 private community college, private college, or private university, either inside or  
93 outside of this state, for at least twenty or more hours per week on a regular  
94 basis, may elect to purchase membership service credit for such service rendered.

95           10. A member who was employed in nonfederal public employment for at  
96 least twenty hours a week on a regular basis shall be permitted to purchase  
97 equivalent creditable service in the retirement system for such employment  
98 subject to provisions of this section.

99           11. A member who, while eighteen years of age or older, was employed in  
100 a position covered by Social Security for at least twenty hours a week on a  
101 regular basis shall be permitted to purchase equivalent creditable service in the  
102 retirement system for such employment subject to provisions of this section.

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  
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 **(1)**  
108 **surviving spouse, (2) surviving children in equal shares, (3) surviving**  
109 **parents in equal shares, or (4) estate of the last person to receive a monthly**  
110 **allowance in a lump sum payment.** If the total of the one hundred twenty  
111 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 **(1) surviving spouse, (2) surviving children in equal shares,**  
123 **(3) surviving parents in equal shares, or (4)** estate of the last person to  
124 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 (1) surviving  
168 spouse, (2) surviving children in equal shares, (3) surviving parents in equal  
169 shares, or (4) person's estate in that order of precedence; provided, however, that  
170 if an optional benefit, as provided in option 2, 3 or 4 in subsection 4, had been  
171 elected and the beneficiary dies after receiving the optional benefit, then, if the  
172 total 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 (1) surviving spouse, (2) surviving children in equal shares, (3)  
175 surviving parents in equal shares, or (4) estate of the beneficiary, in that order  
176 of precedence, unless the retired individual designates a different recipient with  
177 the board at or after retirement.

178 **6. If a member dies and their financial institution is unable to**  
179 **accept the final payment or payments due to the member, the final**  
180 **payment or payments shall be paid to the beneficiary of the member or,**  
181 **if there is no beneficiary, to the (1) surviving spouse, (2) surviving**  
182 **children in equal shares, (3) surviving parents in equal shares, or (4)**  
183 **estate of the member in that order of precedence, unless otherwise**  
184 **stated. If the beneficiary of a deceased member dies and their financial**  
185 **institution is unable to accept the final payment or payments, the final**  
186 **payment or payments shall be paid to the (1) surviving spouse, (2)**  
187 **surviving children in equal shares, (3) surviving parents in equal**  
188 **shares, or (4) estate of the member in that order of precedence, unless**  
189 **otherwise stated.**

190           7. If a member dies before receiving a retirement allowance, the member's  
191 accumulated contributions at the time of the member's death shall be paid to the  
192 member's beneficiary or, if there is no beneficiary, to the (1) surviving spouse, (2)  
193 surviving children in equal shares, (3) surviving parents in equal shares, or (4)  
194 to the member's estate; provided, however, that no such payment shall be made  
195 if the beneficiary elects option 2 in subsection 4 of this section, unless the  
196 beneficiary dies before having received benefits pursuant to that subsection equal  
197 to the accumulated contributions of the member, in which case the amount of  
198 accumulated contributions in excess of the total benefits paid pursuant to that  
199 subsection shall be paid to the (1) surviving spouse, (2) surviving children in  
200 equal shares, (3) surviving parents in equal shares, or (4) estate of the  
201 beneficiary, in that order of precedence.

202           [7.] 8. If a member ceases to be an employee as defined in section 169.600  
203 and certifies to the board of trustees that such cessation is permanent or if the  
204 person's membership is otherwise terminated, the person shall be paid the  
205 person's accumulated contributions with interest.

206           [8.] 9. Notwithstanding any provisions of sections 169.600 to 169.715 to  
207 the contrary, if a member ceases to be an employee as defined in section 169.600  
208 after acquiring five or more years of creditable service, the member may, at the  
209 option of the member, leave the member's contributions with the retirement  
210 system and claim a retirement allowance any time after the member reaches the  
211 minimum age for voluntary retirement. When the member's claim is presented  
212 to the board, the member shall be granted an allowance as provided in sections  
213 169.600 to 169.715 on the basis of the member's age and years of service.

214           [9.] 10. The retirement allowance of a member retired because of  
215 disability shall be nine-tenths of the allowance to which the member's creditable  
216 service would entitle the member if the member's age were sixty.

217           [10.] 11. Notwithstanding any provisions of sections 169.600 to 169.715  
218 to the contrary, any member who is a member prior to October 13, 1969, may  
219 elect to have the member's retirement allowance computed in accordance with  
220 sections 169.600 to 169.715 as they existed prior to October 13, 1969.

221           [11.] 12. Any application for retirement shall include a sworn statement  
222 by the member certifying that the spouse of the member at the time the  
223 application was completed was aware of the application and the plan of  
224 retirement elected in the application.

225           [12.] 13. Notwithstanding any other provision of law, any person retired

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

234 [13.] 14. Benefits paid pursuant to the provisions of the public education  
235 employee retirement system of Missouri shall not exceed the limitations of  
236 Section 415 of Title 26 of the United States Code, except as provided under this  
237 subsection. Notwithstanding any other law, the board of trustees may establish  
238 a benefit plan under Section 415(m) of Title 26 of the United States Code. Such  
239 plan shall be credited solely for the purpose described in Section 415(m)(3)(A) of  
240 Title 26 of the United States Code. The board of trustees may promulgate  
241 regulations necessary to implement the provisions of this subsection and to create  
242 and administer such benefit plan.

243 [14.] 15. Any member who has retired prior to July 1, 1999, and the  
244 designated beneficiary of a deceased retired member upon request shall be made,  
245 constituted, appointed and employed by the board as a special consultant on the  
246 matters of education, retirement and aging. As compensation for such duties the  
247 person shall receive a payment equivalent to seven and four-tenths percent of the  
248 previous month's benefit, which shall be added to the member's or beneficiary's  
249 monthly annuity and which shall not be subject to the provisions of subsections  
250 2 and 3 of this section for the purposes of the limit on the total amount of  
251 increases which may be received.

252 [15.] 16. Any member who has retired prior to July 1, 2000, and the  
253 designated beneficiary of a deceased retired member upon request shall be made,  
254 constituted, appointed and employed by the board as a special consultant on the  
255 matters of education, retirement and aging. As compensation for such duties the  
256 person shall receive a payment equivalent to three and four-tenths percent of the  
257 previous month's benefit, which shall be added to the member's or beneficiary's  
258 monthly annuity and which shall not be subject to the provisions of subsections  
259 2 and 3 of this section for the purposes of the limit on the total amount of  
260 increases which may be received.

261 [16.] 17. Any member who has retired prior to July 1, 2001, and the

262 designated beneficiary of a deceased retired member upon request shall be made,  
263 constituted, appointed and employed by the board as a special consultant on the  
264 matters of education, retirement and aging. As compensation for such duties the  
265 person shall receive a payment equivalent to seven and one-tenth percent of the  
266 previous month's benefit, which shall be added to the member's or beneficiary's  
267 monthly annuity and which shall not be subject to the provisions of subsections  
268 2 and 3 of this section for the purposes of the limit on the total amount of  
269 increases which may be received.

169.690. Neither the funds belonging to the retirement system nor any  
2 benefit accrued or accruing to any person under the provisions of sections 169.600  
3 to 169.710 shall be subject to execution, garnishment, attachment or any other  
4 process whatsoever, nor shall they be assignable, except **in a proceeding**  
5 **instituted for spousal maintenance or child support and** as in sections  
6 169.600 to 169.710 specifically provided.

**169.750. 1. To the extent determined appropriate by the board**  
2 **of trustees, the retirement systems established under sections 169.020**  
3 **and 169.610 may indemnify and protect any trustee or employee of the**  
4 **retirement system against any or all claims or liabilities, including**  
5 **defense thereof, arising out of her or her responsibilities with respect**  
6 **to the retirement system provided, however, that no trustee or**  
7 **employee shall be indemnified for his or her own gross negligence or**  
8 **willful misconduct. This section shall apply whether the claim is made**  
9 **against the employee or trustee in his or her individual or official**  
10 **capacity.**

11 **2. The board of trustees is authorized to obtain and maintain**  
12 **insurance or indemnity policies to insure the trustees and employees**  
13 **of the retirement system against any liability or losses incurred as a**  
14 **result of their responsibilities with respect to the retirement system.**

15 **3. No employee or trustee shall be entitled to indemnification**  
16 **under this section unless within fifteen days after receipt of service of**  
17 **process he or she shall give written notice of such proceeding to the**  
18 **board of trustees.**

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