

SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 2431

AN ACT

To repeal sections 70.605, 70.630, 70.655, 70.680, 70.690, 70.745, 70.746, 70.747, 86.200, 105.688, 169.070, 169.560, and 169.660, RSMo, and to enact in lieu thereof fourteen new sections relating to public employee retirement systems.

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

Section A. Sections 70.605, 70.630, 70.655, 70.680, 70.690, 70.745, 70.746, 70.747, 86.200, 105.688, 169.070, 169.560, and 169.660, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 70.605, 70.630, 70.655, 70.680, 70.690, 70.745, 70.746, 70.747, 70.748, 86.200, 105.688, 169.070, 169.560, and 169.660, to read as follows:

70.605. 1. For the purpose of providing for the retirement or pensioning of the officers and employees and the widows and children of deceased officers and employees of any political subdivision of the state, there is hereby created and established a retirement system which shall be a body corporate, which shall be under the management of a board of trustees herein described, and shall be known as the "Missouri Local Government Employees' Retirement System". Such system may sue and be sued, transact business, invest funds, and hold cash, securities, and other property. All suits or proceedings directly or indirectly against the system shall be brought in Cole County. The system shall begin operations on the first day of the

calendar month next following sixty days after the date the board of trustees has received certification from ten political subdivisions that they have elected to become employers.

2. The general administration and the responsibility for the proper operation of the system is vested in a board of trustees of seven persons: three persons to be elected as trustees by the members of the system; three persons to be elected trustees by the governing bodies of employers; and one person, to be appointed by the governor, who is not a member, retirant, or beneficiary of the system and who is not a member of the governing body of any political subdivision. Beginning on January 1, 2025, upon the expiration of the term of the employer trustee elected to the board with a term ending on December 31, 2024, the position of such employer trustee shall thereafter be replaced by a person to be elected as trustee by the retirants of the system.

3. Trustees shall be chosen for terms of four years from the first day of January next following their election or appointment[, except that of the first board shall all be appointed by the governor by and with the consent of the senate, as follows:

(1) Three persons who are officers or officials of political subdivisions, one for a term of three years, one for a term of two years, and one for a term of one year; and

(2) Three persons who are employees of political subdivisions and who would, if the subdivision by which they are employed becomes an employer, be eligible as members, one for a term of three years, one for a term of two years, and one for a term of one year; and

(3) That person appointed by the governor under the provisions of subsection 2 of this section. All the members

of the first board shall take office as soon as appointed by the governor, but their terms shall be computed from the first day of January next following their appointment, and only one member may be from any political subdivision or be a policeman or fireman].

4. Successor trustees elected or appointed as member trustees shall be members of the retirement system; provided, that not more than one [member] trustee shall be employed by any one employer, and not more than one [member] trustee shall be a policeman, and not more than one [member] trustee shall be a fireman, and not more than one trustee shall be public safety personnel as described in section 70.631.

5. For terms beginning on or after January 1, 2025, successor trustees elected as employer trustees shall be elected or appointed officials of the governing bodies of the employers [and shall not be members of the retirement system] or executive level employees certified by the governing bodies of the employers; provided, that not more than one [employer] trustee shall be from any one employer, and not more than one trustee shall be a policeman, and not more than one trustee shall be a fireman, and not more than one trustee shall be public safety personnel as described in section 70.631.

6. [An annual meeting of the retirement system shall be called by the board in the last calendar quarter of each year in Jefferson City, or at such place as the board shall determine, for the purpose of electing trustees and to transact such other business as may be required for the proper operation of the system. Notice of such meeting shall be sent by registered mail to the clerk or secretary of each employer not less than thirty days prior to the date of such meeting. The governing body of each employer shall

certify to the board the name of one delegate who shall be an officer of the employer, and the members of the employer shall certify to the board a member of the employer to represent such employer at such meeting. The delegate certified as member delegate shall be elected by secret ballot by the members of such employer, and the clerk or secretary of each employer shall be charged with the duty of conducting such election in a manner which will permit each member to vote in such election. Under such rules and regulations as the board shall adopt, approved by the delegates, the member delegates shall elect a member trustee for each such position on the board to be filled, and the officer delegates shall elect an employer trustee for each such position on the board to be filled] Successor trustees elected as retiree trustees shall be retirants of the system pursuant to sections 70.600 to 70.755.

7. The elections of the trustees shall be arranged for and managed and conducted by the board of trustees of the retirement system.

8. In the event any [member trustee ceases to be a member of the retirement system, or any employer trustee ceases to be an appointed or elected official of an employer, or becomes a member of the retirement system, or if the trustee appointed by the governor becomes a member of the retirement system or an elected or appointed official of a political subdivision] trustee ceases to meet the eligibility requirements pursuant to this section, or if any trustee fails to attend three consecutive meetings of the board, unless in each case excused for cause by the remaining trustees attending such meeting or meetings, he or she shall be considered as having resigned from the board and the board shall, by resolution, declare his or her office of trustee vacated. If a vacancy occurs in the

office of trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled; provided, however, that the remaining trustees may fill employer and member trustee vacancies on the board until the next [annual meeting] election.

[8.] 9. Each trustee shall be commissioned by the governor, and before entering upon the duties of his office, shall take and subscribe to an oath or affirmation to support the Constitution of the United States, and of the state of Missouri, and to demean himself faithfully in his or her office. Such oath as subscribed to shall be filed in the office of the secretary of state of this state.

[9.] 10. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be necessary for a decision by the trustees at any meeting of the board of trustees. Four trustees[, of whom at least two shall be member trustees and at least two shall be employer trustees,] shall constitute a quorum at any meeting of the board. Unless otherwise expressly provided herein, a meeting need not be called or held to make any decision on a matter before the board. Each member must be sent by the executive secretary a copy of the matter to be decided with full information from the files of the board. The concurring decisions of four trustees may decide the issue by signing a document declaring their decision and sending the written instrument to the executive secretary, provided that no other trustee shall send a dissenting decision to the executive secretary within fifteen days after the document and information was mailed to him or her. If any trustee is not in agreement with the four trustees, the matter is to be passed on at a regular board meeting or a special meeting called for that purpose. The board shall hold regular meetings at least once each quarter, the dates

of these meetings to be designated in the rules and regulations adopted by the board. Other meetings as deemed necessary may be called by the [chairman] chairperson or by any four trustees acting jointly.

[10.] 11. The board of trustees shall elect one of their number as [chairman] chairperson, and one of their number as vice [chairman] chairperson, and shall employ an executive secretary, not one of their number, who shall be the executive officer of the board. Other employees of the board shall be chosen only upon the recommendation of the executive secretary.

[11.] 12. The board shall appoint an actuary or a firm of actuaries as technical advisor to the board on matters regarding the operation of the system on an actuarial basis. The actuary or actuaries shall perform such duties as are required of him or her under sections 70.600 to 70.755, and as are from time to time required by the board.

[12.] 13. The board may appoint an attorney-at-law or firm of attorneys-at-law to be the legal advisor of the board and to represent the board in all legal proceedings.

[13.] 14. The board may appoint an investment counselor to be the investment advisor of the board.

[14.] 15. The board shall from time to time, after receiving the advice of its actuary, adopt such mortality and other tables of experience, and a rate or rates of regular interest, as shall be necessary for the actuarial requirements of the system, and shall require its executive secretary to keep in convenient form such data as shall be necessary for actuarial investigations of the experience of the system, and such data as shall be necessary for the annual actuarial valuations of the system.

[15.] 16. The board shall keep a record of its proceedings, which shall be open to public inspection. It

shall prepare annually and render to each employer a report showing the financial condition of the system as of the preceding June thirtieth. The report shall contain, but shall not be limited to, a financial balance sheet; a statement of income and disbursements; a detailed statement of investments acquired and disposed of during the year, together with a detailed statement of the annual rates of investment income from all assets and from each type of investment; an actuarial balance sheet prepared by means of the last valuation of the system, and such other data as the board shall deem necessary or desirable for a proper understanding of the condition of the system.

[16.] 17. The board of trustees shall, after reasonable notice to all interested parties, conduct administrative hearings to hear and decide questions arising from the administration of sections 70.600 to 70.755; except, that such hearings may be conducted by a hearing officer who shall be appointed by the board. The hearing officer shall preside at the hearing and hear all evidence and rule on the admissibility of evidence. The hearing officer shall make recommended findings of fact and may make recommended conclusions of law to the board. All final orders or determinations or other final actions by the board shall be approved in writing by at least four members of the board. Any board member approving in writing any final order, determination or other final action, who did not attend the hearing, shall do so only after certifying that he or she reviewed all exhibits and read the entire transcript of the hearing. Within thirty days after a decision or order or final action of the board, any member, retirant, beneficiary or political subdivision adversely affected by that determination or order or final action may take an appeal under the provisions of chapter 536.

Jurisdiction over any dispute regarding the interpretation of sections 70.600 to 70.755 and the determinations required thereunder shall lie in the circuit court of Cole County.

[17.] 18. The board shall arrange for adequate surety bonds covering the executive secretary and any other custodian of the funds or investments of the board. When approved by the board, said bonds shall be deposited in the office of the secretary of state.

[18.] 19. The board shall arrange for annual audits of the records and accounts of the system by a certified public accountant or by a firm of certified public accountants.

[19.] 20. The headquarters of the retirement system shall be in Jefferson City.

[20.] 21. The board of trustees shall serve as trustees without compensation for their services as such; except that each trustee shall be paid for any necessary expenses incurred in attending meetings of the board or in the performance of other duties authorized by the board.

[21.] 22. Subject to the limitations of sections 70.600 to 70.755, the board shall formulate and adopt rules and regulations for the government of its own proceedings and for the administration of the retirement system.

70.630. 1. The membership of the system shall include the following persons:

(1) All employees who are neither policemen nor firemen who are in the employ of a political subdivision the day preceding the date such political subdivision becomes an employer and who continue in such employ on and after such date shall become members of the system.

(2) All persons who become employed by a political subdivision as neither policemen nor firemen on or after the date such political subdivision becomes an employer shall become members of the system.

(3) If his employing political subdivision has elected to cover present and future policemen, all policemen who are in the employ of a political subdivision the day preceding the date such political subdivision covers policemen hereunder and who continue in such employ as a policeman on and after such date, and all persons who become employed by a political subdivision as a policeman on or after the date the political subdivision covers policemen shall become members of the system.

(4) If his employing political subdivision has elected to cover only future policemen, all persons who become employed by a political subdivision as a policeman on or after the date such political subdivision covers policemen hereunder shall become members of the system.

(5) If his employing political subdivision has elected to cover present and future firemen, all firemen who are in the employ of a political subdivision the day preceding the date such political subdivision covers firemen hereunder and who continue in such employ as a fireman on and after such date, and all persons who become employed by a political subdivision as a fireman on or after the date the political subdivision covers firemen hereunder shall become members of the system.

(6) If his employing political subdivision has elected to cover only future firemen, all persons who become employed by a political subdivision as a fireman on or after the date such political subdivision covers firemen hereunder shall become members of the system.

2. [In no event shall an employee become a member if continuous employment to time of retirement will leave the employee with less than minimum number of years of credited service specified in section 70.645.]

3.] In any case of question as to the system membership status of any person, the board shall decide the question.

70.655. 1. Upon a member's retirement he or she shall receive an allowance for life in accordance with the applicable benefit program elected by the member's employer, as follows:

(1) Benefit program L-1. A member with credited service covered by benefit program L-1 shall receive an allowance for life equal to one percent of the member's final average salary multiplied by the number of years of such credited service;

(2) Benefit program L-3. A member with credited service covered by benefit program L-3 shall receive an allowance for life equal to one and one-quarter percent of the member's final average salary multiplied by the number of years of such credited service;

(3) Benefit program LT-4. A member with credited service covered by benefit program LT-4 shall receive an allowance for life equal to one percent of the member's final average salary multiplied by the number of years of such credited service. In addition, if such member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age at retirement is younger than age sixty-two, then such member shall receive a temporary allowance equal to one percent of the member's final average salary multiplied by the number of years of such credited service. Such temporary allowance shall terminate at the end of the calendar month in which the earlier of the following events occurs: such member's death; or the member's attainment of age sixty-two;

(4) Benefit program LT-5. A member with credited service covered by benefit program LT-5 shall receive an

allowance for life equal to one and one-quarter percent of the member's final average salary multiplied by the number of years of such credited service. In addition, if such member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age at retirement is younger than age sixty-two, then such member shall receive a temporary allowance equal to three-quarters of one percent of the member's final average salary multiplied by the number of years of such credited service. Such temporary allowance shall terminate at the end of the calendar month in which the earlier of the following events occurs: such member's death; or the member's attainment of age sixty-two;

(5) Benefit program L-6. A member with credited service covered by benefit program L-6 shall receive an allowance for life equal to two percent of the member's final average salary multiplied by the number of years of such credited service;

(6) Benefit program L-7. A member with credited service covered by benefit program L-7 shall receive an allowance for life equal to one and one-half percent of the member's final average salary multiplied by the number of years of such credited service;

(7) Benefit program LT-8. A member with credited service covered by benefit program LT-8 shall receive an allowance for life equal to one and one-half percent of the member's final average salary multiplied by the number of years of such credited service. In addition, if such member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age at retirement is younger than age sixty-two, then such member shall receive a temporary allowance equal to one-half of one percent of the member's final average salary multiplied by the number of

years of such credited service. Such temporary allowance shall terminate at the end of the calendar month in which the earlier of the following events occurs: such member's death; or the member's attainment of age sixty-two;

(8) Benefit program LT-4(65). A member with credited service covered by benefit program LT-4(65) shall receive an allowance for life equal to one percent of the member's final average salary multiplied by the number of years of such credited service. In addition, if such member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age at retirement is younger than age sixty-five, then such member shall receive a temporary allowance equal to one percent of the member's final average salary multiplied by the number of years of such credited service. Such temporary allowance shall terminate at the end of the calendar month in which the earlier of the following events occurs: such member's death; or the member's attainment of age sixty-five;

(9) Benefit program LT-5(65). A member with credited service covered by benefit program LT-5(65) shall receive an allowance for life equal to one and one-quarter percent of the member's final average salary multiplied by the number of years of such credited service. In addition, if such member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age at retirement is younger than age sixty-five, then such member shall receive a temporary allowance equal to three-quarters of one percent of the member's final average salary multiplied by the number of years of such credited service. Such temporary allowance shall terminate at the end of the calendar month in which the earlier of the following events occurs: such member's death; or the member's attainment of age sixty-five;

(10) Benefit program LT-8(65). A member with credited service covered by benefit program LT-8(65) shall receive an allowance for life equal to one and one-half percent of the member's final average salary multiplied by the number of years of such credited service. In addition, if such member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age at retirement is younger than age sixty-five, then such member shall receive a temporary allowance equal to one-half of one percent of the member's final average salary multiplied by the number of years of such credited service. Such temporary allowance shall terminate at the end of the calendar month in which the earlier of the following events occurs: such member's death; or the member's attainment of age sixty-five;

(11) Benefit program L-9. A member with credited service covered by benefit program L-9 shall receive an allowance for life equal to one and six-tenths percent of the member's final average salary multiplied by the number of years of such credited service;

(12) Benefit program LT-10(65). A member with credited service covered by benefit program LT-10(65) shall receive an allowance for life equal to one and six-tenths percent of the members' final average salary multiplied by the number of years of such credited service. In addition, if such member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if such member's age at retirement is younger than age sixty-five, then such member shall receive a temporary allowance equal to four-tenths of one percent of the member's final average salary multiplied by the number of years of such credited service. Such temporary allowance shall terminate at the end of the calendar month in which the earlier of the following events

occurs: such member's death; or the member's attainment of age sixty-five;

(13) Benefit program L-11. Benefit program L-11 may cover employment in a position only if such position is not concurrently covered by federal Social Security; in addition, if such position was previously covered by federal Social Security, benefit program L-11 may cover only employment rendered after cessation of federal Social Security coverage. A member with credited service covered by benefit program L-11 shall receive an allowance for life equal to two and one-half percent of the member's final average salary multiplied by the number of years of such credited service;

(14) Benefit program L-12. A member with credited service covered by benefit program L-12 shall receive an allowance for life equal to one and three-quarter percent of the member's final average salary multiplied by the number of years of such credited service;

(15) Benefit program LT-14(65). A member with credited service covered by benefit program LT-14(65) shall receive an allowance for life equal to one and three-quarter percent of the member's final average salary multiplied by the number of years of such credited service. In addition, if such member is retiring as provided in section 70.645, 70.650, or 70.670, then such member shall receive a temporary allowance equal to one-quarter of one percent of the member's final average salary multiplied by the number of years of such credited service. Such temporary allowance shall terminate at the end of the calendar month in which the earlier of the following events occurs: such member's death or the member's attainment of age sixty-five.

2. If each portion of a member's credited service is not covered by the same benefit program, then the member's

total allowance for life shall be the total of the allowance for life determined under each applicable benefit program.

3. Each employer shall have the credited service of each of its members covered by benefit program L-1 provided for in this section unless such employer shall have elected another benefit program provided for in this section.

4. Except as otherwise provided in this subsection, each political subdivision, by majority vote of its governing body, may elect from time to time to cover its members, whose political subdivision employment is concurrently covered by federal Social Security, under one of the benefit programs provided for in this section. Each political subdivision, by majority vote of its governing body, may elect from time to time to cover its members, whose political subdivision employment is not concurrently covered by federal Social Security, under one of the benefit programs provided for in this section. The clerk or secretary of the political subdivision shall certify the election of the benefit program to the board within ten days after such vote. The effective date of the political subdivision's benefit program is the first day of the calendar month specified by such governing body, or the first day of the calendar month next following receipt by the board of the certification of election of benefit program, or the effective date of the political subdivision becoming an employer, whichever is the latest. Such election of benefit program may be changed from time to time by such vote, but not more often than biennially. If such changed benefit program provides larger allowances than the benefit program previously in effect, then such larger benefit program shall be applicable to the past and future employment with the employer by present and future employees. If such changed benefit program provides smaller

allowances than the benefit program previously in effect, then such changed benefit program shall be applicable only to credited service for employment rendered from and after the effective date of such change. After August 28, 1994, political subdivisions shall not elect coverage under benefit program LT-4, benefit program LT-5, or benefit program LT-8. After August 28, 2005, political subdivisions shall not elect coverage under benefit program L-9 or benefit program LT-10(65).

5. Should an employer change its election of benefit program as provided in this section, the employer contributions shall be correspondingly changed effective the same date as the benefit program change.

6. The limitation on increases in an employer's contribution provided by subsection 6 of section 70.730 shall not apply to any contribution increase resulting from an employer electing a benefit program which provides larger allowances.

7. Subject to the provisions of subsections 8 and 9 ~~[and 10]~~ of this section, for an allowance becoming effective on September 28, 1975, or later, and beginning with the October first which is at least twelve full months after the effective date of the allowance, the amount of the allowance shall be redetermined effective each October first and such redetermined amount shall be payable for the ensuing year. Subject to the limitations stated in the next sentence, such redetermined amount shall be the amount of the allowance otherwise payable multiplied by the following percent: one hundred percent, plus two percent for each full year (excluding any fraction of a year) in the period from the effective date of the allowance to the current October first. In no event shall such redetermined amount (1) be less than the amount of the allowance otherwise

payable nor (2) be more than the amount of the allowance otherwise payable multiplied by the following fraction: the numerator shall be the Consumer Price Index for the month of June immediately preceding such October first (but in no event an amount less than the denominator below) and the denominator shall be the Consumer Price Index for the month of June immediately preceding the effective date of the allowance. As used herein, "Consumer Price Index" means a measure of the Consumer Price Index [for Urban Wage Earners and Clerical Workers,] as determined by the United States Department of Labor and adopted by the board of trustees [in effect January 1, 1975; provided, should such Consumer Price Index be restructured subsequent to 1974 in a manner materially changing its character, the board shall change the application of the Consumer Price Index so that as far as is practicable the 1975 intent of the use of the Consumer Price Index shall be continued]. As used herein "the amount of the allowance otherwise payable" means the amount of the allowance which would be payable without regard to these provisions redetermining allowance amounts after retirement.

8. [Subject to the provisions of subsections 9 and 10 of this section, for an allowance becoming effective on September 28, 1975, or later, the maximum allowance payable under the provisions of section 70.685 shall be redetermined each October first in the same manner as an allowance is redetermined under the provisions of subsection 7 of this section.]

9.] (1) The system establishes reserves for the payment of future allowances to retirants and beneficiaries. Should the board determine, after consulting with the actuary, that the established reserves are more than sufficient to provide such allowances, the board may increase the annual increase rate provided for in

~~subsections~~ subsection 7 ~~and 8~~ of this section, as it applies to any allowance payable, but in no event shall the total of all redetermined amounts as of October first of any year be greater than one hundred four percent of the allowances which would have been payable that October first without such redeterminations; provided, as of any redetermination date the same annual increase rate shall be applied to all allowances with effective dates in the range of November first to October first of the following year. The board may extend the provisions of ~~subsections~~ subsection 7 ~~and 8~~ of this section to allowances which became effective before September 28, 1975; provided such an action by the board shall not increase an employer contribution rate then in effect;

(2) After August 28, 1993, the annual increase rate established by this subsection shall be a compound rate, compounded annually, and the four percent annual maximum rate shall also be a compound rate, compounded annually; provided, the use of such compounding shall not begin until October 1, 1993, and shall not affect redeterminations made prior to that date.

~~10.]~~ 9. Should the board determine that the provisions of subsections 7~~, 8~~ and ~~9~~ 8 of this section are jeopardizing the financial solvency of the system, the board shall suspend these provisions redetermining allowance amounts after retirement for such periods of time as the board deems appropriate.

70.680. 1. Any member in service with five or more years of credited service who has not attained the age and service requirements of section 70.645 and who becomes totally and permanently physically or mentally incapacitated for his duty as an employee, as the result of a personal injury or disease, may be retired by the board upon written

application filed with the board by or on behalf of the member; provided, that after a medical examination of such member made by or under the direction of a medical committee consisting of three physicians, one of whom shall be selected by the board, one by or on behalf of such member, and the third by the first two physicians so named, the medical committee reports to the board, by majority opinion in writing, that such member is physically or mentally totally incapacitated for the further performance of duty, that such incapacity will probably be permanent and that such member should be retired.

2. Upon disability retirement, as provided in subsection 1 of this section, a member shall receive an allowance for life provided for in section 70.655 and shall have the right to elect an option provided for in section 70.660. His or her disability retirement and allowance shall be subject to the provisions of subsection 5 of this section [and to the provisions of section 70.685].

3. Any member in service who becomes totally and permanently physically or mentally incapacitated for his duty as an employee, as the natural and proximate result of a personal injury or disease which the board finds to have arisen out of and in the course of his actual performance of duty as an employee, may be retired by the board upon written application filed with the board by or on behalf of the member; provided, that after a medical examination of such member made by or under the direction of a medical committee consisting of three physicians, one of whom shall be selected by the board, one by or on behalf of such member, and the third by the first two physicians so named, the medical committee reports to the board, by majority opinion in writing, that such member is physically or mentally totally incapacitated for the further performance

of duty, that such incapacity will probably be permanent, and that such member should be retired.

4. Upon disability retirement as provided in subsection 3 of this section, a member shall receive an allowance for life provided for in section 70.655; provided, that for the sole purpose of computing the amount of such allowance, he or she shall be given credited service for the period from the date of his or her disability retirement to the date he or she would attain age sixty. He or she shall have the right to elect an option provided for in section 70.660. His or her disability retirement and allowance shall be subject to the provisions of subsection 5 of this section [and to the provisions of section 70.685].

5. At least once each year during the first five years following a member's retirement on account of disability, and at least once in each three-year period thereafter, the board shall require any disability retiree who has not attained his minimum service retirement age to undergo a medical examination to be made by a physician designated by the board. If the retiree refuses to submit to medical examination in any such period, his disability allowance shall be suspended by the board until his withdrawal of such refusal. If such refusal continues for one year, all his rights in and to a disability allowance shall be revoked by the board. If, upon medical examination of the retiree, the physician reports to the board that the retiree is physically and mentally able and capable of resuming his duty as an employee in the position held by him at the time of his disability retirement, then the board shall, if demanded by the retiree, arrange a further medical examination of such member made by or under the direction of a medical committee consisting of three physicians, one of whom shall be selected by the board, one by or on behalf of

the member, and the third by the first two physicians named. Should the medical committee concur, by majority opinion in writing to the board, the disability retirant is capable of resumption of duty, his disability retirement shall terminate and he shall be returned to duty and he shall immediately again become a member of the system, his credited service at the time of disability retirement shall be restored to his credit, and the amount of his accumulated contributions at the time of his disability retirement shall be restored to his credit in the members deposit fund. If he was in receipt of a duty disability allowance provided for in subsection 3 of this section, he shall also be given service credit for the period he was in receipt of the duty disability allowance.

70.690. 1. In the event a member ceases to be a member other than by death before the date he becomes entitled to retire with an allowance payable by the system, he shall be paid, upon his written application filed with the board, his accumulated contributions standing to his credit in the members deposit fund.

2. In the event a member dies, and no allowance becomes or will become payable by the system on account of his death, his accumulated contributions standing to his credit in the members deposit fund at the time of his death shall be paid to such person or persons as he shall have nominated by written designation duly executed and filed with the board. If there be no such designated person or persons surviving such member, such accumulated contributions shall be paid to his surviving spouse, or to his estate if there is no surviving spouse.

3. In the event a member's membership in the system terminates, and no allowance becomes or will become payable on his account, any accumulated contributions standing to

his credit in the members deposit fund unclaimed by such member or his legal representative within [three] ten years after the date his membership terminated, shall be transferred to the income-expense fund. If thereafter proper application is made for such accumulated contributions, the board shall pay them from the income-expense fund, but without interest after the date payment was first due.

70.745. 1. The board shall be the trustees of the funds of the system. Subject to the provisions of any applicable federal or state laws, the board shall have full power to invest and reinvest the moneys of the system, and to hold, purchase, sell, assign, transfer or dispose of any of the securities and investments in which such moneys shall have been invested, as well as the proceeds of such investments and such moneys.

2. The board of trustees may deliberate about, or make tentative or final decisions on, investments or other financial matters in a closed meeting under chapter 610 if disclosure of the deliberations or decisions would jeopardize the ability to implement a decision or to achieve investment objectives. A record of the retirement system that discloses deliberations about, or a tentative decision on, investments or other financial matters is not a public record under chapter 610 to the extent and so long as its disclosure would jeopardize the ability to implement a decision or to achieve investment objectives.

3. The board of trustees shall not be prohibited from closing records to the extent that such records relate to information submitted by an individual, corporation, or other business entity in connection with investments in or financial transactions with business entities for investment purposes.

70.746. Notwithstanding any other provision of law to the contrary, the board of trustees may delegate to its duly appointed investment counselor authority to act in place of the board in the investment and reinvestment of all or part of the moneys of the system, and may also delegate to such counselor the authority to act in place of the board in the holding, purchasing, selling, assigning, transferring, or disposing of any or all of the securities and investments in which such moneys shall have been invested, as well as the proceeds of such investments and such moneys. [Such investment counselor shall be registered as an investment advisor with the United States Securities and Exchange Commission.] In exercising or delegating its investment powers and authority, members of the board shall exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action or decision. In so doing, the board shall consider the long- and short-term needs of the system in carrying out its purposes, the system's present and anticipated financial requirements, the expected total return on the system's investment, general economic conditions, income, growth, long-term net appreciation, and probable safety of funds. No member of the board shall be liable for any action taken or omitted with respect to the exercise of or delegation of these powers and authority if such member shall have discharged the duties of his or her position in good faith and with that degree of diligence, care, and skill which prudent men and women would ordinarily exercise under similar circumstances in a like position.

70.747. Notwithstanding any other provision of law to the contrary, the board shall have full power to invest and reinvest the funds and moneys of the system in improved real estate, including collective real estate funds and real

estate investment trusts, wherever situated[; provided, however, that not more than one-tenth of the funds and moneys of the system at the time of such investment shall be so invested].

70.748. 1. Notwithstanding the provisions of section 105.662 to the contrary, the board may set up and maintain a local government employee retirement systems of Missouri investment fund account in which investment and reinvestment of all or part of the moneys of the retirement system may be placed and be available for investment purposes.

2. For the purpose of investing the funds of the retirement system, the funds may be combined with the funds of any retirement plan that is administered by the retirement system under section 70.621 and any retirement plan established for the purpose of providing benefits for employees of the system, but the funds of each plan shall be accounted for separately and for all other reporting purposes shall be separate.

3. The board of trustees may promulgate such rules and regulations consistent with the provisions of this section as deemed necessary for its proper administration, pursuant to the provisions of this section and this chapter.

4. The board of trustees may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently

held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

86.200. The following words and phrases as used in sections 86.200 to 86.366, unless a different meaning is plainly required by the context, shall have the following meanings:

(1) "Accumulated contributions", the sum of all mandatory contributions deducted from the compensation of a member and credited to the member's individual account, together with members' interest thereon;

(2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of mortality tables and interest assumptions adopted by the board of trustees;

(3) "Average final compensation":

(a) With respect to a member who earns no creditable service on or after October 1, 2001, the average earnable compensation of the member during the member's last three years of creditable service as a police officer, or if the member has had less than three years of creditable service, the average earnable compensation of the member's entire period of creditable service;

(b) With respect to a member who is not participating in the DROP pursuant to section 86.251 on October 1, 2001, who did not participate in the DROP at any time before such date, and who earns any creditable service on or after October 1, 2001, the average earnable compensation of the member during the member's last two years of creditable service as a policeman, or if the member has had less than two years of creditable service, then the average earnable compensation of the member's entire period of creditable service;

(c) With respect to a member who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns to active participation in the system pursuant to section 86.251, and who terminates employment as a police officer for reasons other than death or disability before earning at least two years of creditable service after such return, the portion of the member's benefit attributable to creditable service earned before DROP entry shall be determined using average final compensation as defined in paragraph (a) of this subdivision; and the portion of the member's benefit attributable to creditable service earned after return to active participation in the system shall be determined using average final compensation as defined in paragraph (b) of this subdivision;

(d) With respect to a member who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose participation in the DROP ended before such date, who returns to active participation in the system pursuant to section 86.251, and who terminates employment as a police officer after earning at least two years of creditable service after such return, the member's benefit attributable to all of such member's creditable service shall be determined using the member's average final compensation as defined in paragraph (b) of this subdivision;

(e) With respect to a member who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns to active participation in the system pursuant to section 86.251, and whose employment as a police officer terminates due to death or disability after such return, the member's benefit attributable to all of such member's creditable service shall be determined using the member's

average final compensation as defined in paragraph (b) of this subdivision; and

(f) With respect to the surviving spouse or surviving dependent child of a member who earns any creditable service on or after October 1, 2001, the average earnable compensation of the member during the member's last two years of creditable service as a police officer or, if the member has had less than two years of creditable service, the average earnable compensation of the member's entire period of creditable service;

(4) "Beneficiary", any person in receipt of a retirement allowance or other benefit;

(5) "Board of trustees", the board provided in sections 86.200 to 86.366 to administer the retirement system;

(6) "Creditable service", prior service plus membership service as provided in sections 86.200 to 86.366;

(7) "DROP", the deferred retirement option plan provided for in section 86.251;

(8) "Earnable compensation", the annual salary [established under section 84.160] which a member would earn during one year on the basis of the member's rank or position, plus any additional compensation for academic work and shift differential, that [may be provided] is set by any state or municipal body or official [or board] now or hereafter authorized by law to employ and manage a permanent police force in such cities. Such amount shall include the member's deferrals to a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code or to a cafeteria plan pursuant to Section 125 of the Internal Revenue Code or, effective October 1, 2001, to a transportation fringe benefit program pursuant to Section 132(f)(4) of the Internal Revenue Code. [Earnable

compensation] The term "earnable compensation" shall not include a member's additional compensation for overtime, standby time, court time, nonuniform time or unused vacation time. The term "earnable compensation" shall not include any funds received by a member through a judgment or settlement of a legal action or claim made or threatened by the member against any city not within a county if the funds are intended to retroactively compensate the member for the salary differential between the member's actual rank and the rank the member claims he or she should have received.

Notwithstanding the foregoing, the earnable compensation taken into account under the plan established pursuant to sections 86.200 to 86.366 with respect to a member who is a noneligible participant, as defined in this subdivision, for any plan year beginning on or after October 1, 1996, shall not exceed the amount of compensation that may be taken into account under Section 401(a)(17) of the Internal Revenue Code, as adjusted for increases in the cost of living, for such plan year. For purposes of this subdivision, a "noneligible participant" is an individual who first becomes a member on or after the first day of the first plan year beginning after the earlier of:

(a) The last day of the plan year that includes August 28, 1995; or

(b) December 31, 1995;

(9) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as amended;

(10) "Mandatory contributions", the contributions required to be deducted from the salary of each member who is not participating in DROP in accordance with section 86.320;

(11) "Medical board", the health care organization appointed by the trustees of the police retirement board and

responsible for arranging and passing upon all medical examinations required under the provisions of sections 86.200 to 86.366, which shall investigate all essential statements and certificates made by or on behalf of a member in connection with an application for disability retirement and shall report in writing to the board of trustees its conclusions and recommendations;

(12) "Member", a member of the retirement system as defined by sections 86.200 to 86.366;

(13) "Members' interest", interest on accumulated contributions at such rate as may be set from time to time by the board of trustees;

(14) "Membership service", service as a policeman rendered since last becoming a member, except in the case of a member who has served in the Armed Forces of the United States and has subsequently been reinstated as a policeman, in which case "membership service" means service as a policeman rendered since last becoming a member prior to entering such armed service;

(15) "Plan year" or "limitation year", the twelve consecutive-month period beginning each October first and ending each September thirtieth;

(16) "Policeman" or "police officer", any member of the police force of such cities who holds a rank in such police force;

(17) "Prior service", all service as a policeman rendered prior to the date the system becomes operative or prior to membership service which is creditable in accordance with the provisions of sections 86.200 to 86.366;

(18) "Reserve officer", any member of the police reserve force of such cities, armed or unarmed, who works less than full time, without compensation, and who, by his or her assigned function or as implied by his or her

uniform, performs duties associated with those of a police officer and who currently receives a service retirement as provided by sections 86.200 to 86.366;

(19) "Retirement allowance", annual payments for life as provided by sections 86.200 to 86.366 which shall be payable in equal monthly installments or any benefits in lieu thereof granted to a member upon termination of employment as a police officer and actual retirement;

(20) "Retirement system", the police retirement system of the cities as defined in sections 86.200 to 86.366;

(21) "Surviving spouse", the surviving spouse of a member who was the member's spouse at the time of the member's death.

105.688. The assets of a system may be invested, reinvested and managed by an investment fiduciary subject to the terms, conditions and limitations provided in sections 105.687 to 105.689. An investment fiduciary shall discharge his or her duties in the interest of the participants in the system and their beneficiaries and shall:

(1) Act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims;

(2) Act with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered;

(3) Make investments for the purposes of providing benefits to participants and participants' beneficiaries, and of defraying reasonable expenses of investing the assets of the system;

(4) Give appropriate consideration to those facts and circumstances that the investment fiduciary knows or should

know are relevant to the particular investment or investment course of action involved, including the role of the investment or investment course of action plays in that portion of the system's investments for which the investment fiduciary has responsibility. For purposes of this subdivision, "appropriate consideration" shall include, but is not necessarily limited to a determination by the investment fiduciary that a particular investment or investment course of action is reasonably designed, as part of the investments of the system, to further the purposes of the system, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment course of action; and consideration of the following factors as they relate to the investment or investment course of action:

(a) The diversification of the investments of the system;

(b) The liquidity and current return of the investments of the system relative to the anticipated cash flow requirements of the system; and

(c) The projected return of the investments of the system relative to the funding objectives of the system;

(5) Give appropriate consideration to investments which would enhance the general welfare of this state and its citizens if those investments offer the safety and rate of return comparable to other investments available to the investment fiduciary at the time the investment decision is made; and

(6) Not be prohibited from closing records to the extent that such records relate to information submitted by an individual, corporation, or other business entity in connection with investments in or financial transactions with business entities for investment purposes.

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

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

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

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

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

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

(5) Two and three-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-seven years or more but less than twenty-eight years, and the member has not attained age fifty-five;

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

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

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

(9) Two and six-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is thirty-three years or more regardless of age.

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

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

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

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

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

Option 2.

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

Option 3.

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

Option 4.

Upon the death of the member one-half of the reduced retirement allowance shall be continued throughout the life of, and paid to, such person as has an insurable interest in

the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance shall be increased to the amount the retired member would be receiving had the member elected option 1; or

Option 5.

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

Option 6.

Upon the death of the member prior to the member having received sixty monthly payments of the member's reduced allowance, the remainder of the sixty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the

remainder of the sixty monthly payments, the total of the remainder of such sixty monthly payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of precedence, to receive a monthly allowance in a lump sum payment. If the total of the sixty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum.

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

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

have been eligible to receive the retirement allowance provided in subsection 1 or 2 of this section;

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

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

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

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

7. If a member ceases to be a public school employee as herein defined and certifies to the board of trustees that such cessation is permanent, or if the membership of

the person is otherwise terminated, the member shall be paid the member's accumulated contributions with interest.

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

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

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

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

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

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

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

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

11. The monetary benefits for each other member for whom federal Old Age and Survivors Insurance tax is or was paid at any time from state or local funds on account of the

member's employment entitling the member to membership in the system shall be the sum of:

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

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

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

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

13. If the board of trustees determines that the cost of living, as measured by generally accepted standards, increases two percent or more in the preceding fiscal year, the board shall increase the retirement allowances which the

retired members or beneficiaries are receiving by two percent of the amount being received by the retired member or the beneficiary at the time the annual increase is granted by the board with the provision that the increases provided for in this subsection shall not become effective until the fourth January first following the member's retirement or January 1, 1977, whichever later occurs, or in the case of any member retiring on or after July 1, 2000, the increase provided for in this subsection shall not become effective until the third January first following the member's retirement, or in the case of any member retiring on or after July 1, 2001, the increase provided for in this subsection shall not become effective until the second January first following the member's retirement. Commencing with January 1, 1992, if the board of trustees determines that the cost of living has increased five percent or more in the preceding fiscal year, the board shall increase the retirement allowances by five percent. The total of the increases granted to a retired member or the beneficiary after December 31, 1976, may not exceed eighty percent of the retirement allowance established at retirement or as previously adjusted by other subsections. If the cost of living increases less than five percent, the board of trustees may determine the percentage of increase to be made in retirement allowances, but at no time can the increase exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no increase in allowances for retired members on the following January first.

14. The board of trustees may reduce the amounts which have been granted as increases to a member pursuant to subsection 13 of this section if the cost of living, as determined by the board and as measured by generally

accepted standards, is less than the cost of living was at the time of the first increase granted to the member; except that, the reductions shall not exceed the amount of increases which have been made to the member's allowance after December 31, 1976.

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

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

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

implement the provisions of this subsection and to create and administer such benefit plan.

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

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

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

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

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

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

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

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

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

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

23. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a deceased retired member shall be made, constituted, appointed and employed by the

board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties, the person shall receive a payment equivalent to three and five-tenths percent of the previous month's benefit, which shall be added to the member or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes of the limit on the total amount of increases which may be received.

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

169.560. 1. Any person retired and currently receiving a retirement allowance pursuant to sections 169.010 to 169.141[, other than for disability,] may be employed in any capacity for an employer included in the retirement system created by those sections on either a part-time or temporary-substitute basis not to exceed a total of five hundred fifty hours in any one school year, and through such employment may earn up to fifty percent of the annual compensation payable under the employer's salary schedule for the position or positions filled by the retiree, given

such person's level of experience and education, without a discontinuance of the person's retirement allowance. If the employer does not utilize a salary schedule, or if the position in question is not subject to the employer's salary schedule, a retiree employed in accordance with the provisions of this subsection may earn up to fifty percent of the annual compensation paid to the person or persons who last held such position or positions, or may earn up to fifty percent of the limit set for the position by the school board of the employer which has been submitted and approved by the board of trustees of the retirement system. If the position or positions did not previously exist, the compensation limit shall be determined in accordance with rules duly adopted by the board of trustees of the retirement system; provided that, it shall not exceed fifty percent of the annual compensation payable for the position by the employer that is most comparable to the position filled by the retiree. In any case where a retiree fills more than one position during the school year, the fifty-percent limit on permitted earning shall be based solely on the annual compensation of the highest paid position occupied by the retiree for at least one-fifth of the total hours worked during the year. Such a person shall not contribute to the retirement system or to the public education employee retirement system established by sections 169.600 to 169.715 because of earnings during such period of employment. If such a person is employed in any capacity by such an employer in excess of the limitations set forth in this subsection, the person shall not be eligible to receive the person's retirement allowance for any month during which the person is so employed or the retirement system shall recover the amount the person earned in excess of the limitations, whichever is less. In addition, such person

shall contribute to the retirement system if the person satisfies the retirement system's membership eligibility requirements. In addition to the conditions set forth above, this subsection shall apply to any person retired and currently receiving a retirement allowance under sections 169.010 to 169.141[, other than for disability,] who is employed by a third party or is performing work as an independent contractor, if such person is performing work for an employer included in the retirement system as a temporary or long-term substitute teacher or in any other position that would normally require that person to be duly certificated under the laws governing the certification of teachers in Missouri if such person was employed by the district. The retirement system may require the employer, the third-party employer, the independent contractor, and the retiree subject to this subsection to provide documentation showing compliance with this subsection. If such documentation is not provided, the retirement system may deem the retiree to have exceeded the limitations provided in this subsection.

2. Notwithstanding any other provision of this section, any person retired and currently receiving a retirement allowance in accordance with sections 169.010 to 169.141[, other than for disability,] may be employed by an employer included in the retirement system created by those sections in a position that does not normally require a person employed in that position to be duly certificated under the laws governing the certification of teachers in Missouri, and through such employment may earn, beginning on August 28, 2023, and ending on June 30, 2028, up to one hundred thirty-three percent of the annual earnings exemption amount applicable to a Social Security recipient before the calendar year of attainment of full retirement

age under 20 CFR 404.430, and, after June 30, 2028, up to the annual earnings exemption amount applicable to a Social Security recipient before the calendar year of attainment of full retirement age under 20 CFR 404.430, without a discontinuance of the person's retirement allowance from the retirement system. The Social Security annual earnings exemption amount applied shall be the exemption amount in effect for the calendar year in which the school year begins. Such person shall not contribute to the retirement system or to the public education employee retirement system established by sections 169.600 to 169.715 because of earnings during such period of employment, and such person shall not earn membership service for such employment. The employer's contribution rate shall be paid by the hiring employer into the public education employee retirement system established by sections 169.600 to 169.715. If such a person is employed in any capacity by an employer in excess of the limitations set forth in this subsection, the person shall not be eligible to receive the person's retirement allowance for any month during which the person is so employed or the retirement system shall recover the amount the person earned in excess of the limitations, whichever is less. In addition, such person shall become a member of and contribute to any retirement system described in this subsection if the person satisfies the retirement system's membership eligibility requirements. The provisions of this subsection shall not apply to any person retired and currently receiving a retirement allowance in accordance with sections 169.010 to 169.141 employed by a public community college or employer under subsection 4 of section 169.130.

169.660. 1. On and after the first day of July next following the operative date, any member who is sixty or

more years of age and who has at least five years of creditable service, or who has attained age fifty-five and has at least twenty-five years of creditable service, or who has at least thirty years of creditable service regardless of age may retire and receive the full retirement benefits based on the member's creditable service. A member whose creditable service at retirement is less than five years shall not be entitled to a retirement allowance but shall be entitled to receive the member's contributions.

2. Any person retired and currently receiving a retirement allowance pursuant to sections 169.600 to 169.715[, other than for disability,] may be employed on either a part-time or temporary-substitute basis by a district included in the retirement system not to exceed a total of five hundred fifty hours in any one school year, without a discontinuance of the person's retirement allowance. Such a person shall not contribute to the retirement system, or to the public school retirement system established by sections 169.010 to 169.141, because of earnings during such period of employment. If such a person is employed in any capacity by such a district on a regular, full-time basis, or the person's part-time or temporary-substitute service in any capacity exceeds five hundred fifty hours in any one school year, the person shall not be eligible to receive the person's retirement allowance for any month during which the person is so employed or the retirement system shall recover the amount the person earned in excess of the limitations, whichever is less.

3. The system shall pay a monthly retirement allowance for the month in which a retired member or beneficiary receiving a retirement allowance dies.