

SENATE BILL NO. 1421

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BLACK.

5614S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 169.070 and 169.670, RSMo, and to enact in lieu thereof two new sections relating to limitations on cost of living increases on retirement allowances for certain public school employees.

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

Section A. Sections 169.070 and 169.670, RSMo, are
2 repealed and two new sections enacted in lieu thereof, to be
3 known as sections 169.070 and 169.670, to read as follows:

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

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

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

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

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

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

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

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

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

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

79 retired member would be receiving had the retired member
80 elected option 1; or

81 Option 3.

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

91 Option 4.

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

101 Option 5.

102 Upon the death of the member prior to the member having
103 received one hundred twenty monthly payments of the member's
104 reduced allowance, the remainder of the one hundred twenty
105 monthly payments of the reduced allowance shall be paid to
106 such beneficiary as the member shall have nominated in the
107 member's election of the option or in a subsequent
108 nomination. If there is no beneficiary so nominated who
109 survives the member for the remainder of the one hundred
110 twenty monthly payments, the total of the remainder of such

111 one hundred twenty monthly payments shall be paid to the
112 surviving spouse, surviving children in equal shares,
113 surviving parents in equal shares, or estate of the last
114 person, in that order of precedence, to receive a monthly
115 allowance in a lump sum payment. If the total of the one
116 hundred twenty payments paid to the retired individual and
117 the beneficiary of the retired individual is less than the
118 total of the member's accumulated contributions, the
119 difference shall be paid to the beneficiary in a lump sum; or
120 Option 6.

121 Upon the death of the member prior to the member having
122 received sixty monthly payments of the member's reduced
123 allowance, the remainder of the sixty monthly payments of
124 the reduced allowance shall be paid to such beneficiary as
125 the member shall have nominated in the member's election of
126 the option or in a subsequent nomination. If there is no
127 beneficiary so nominated who survives the member for the
128 remainder of the sixty monthly payments, the total of the
129 remainder of such sixty monthly payments shall be paid to
130 the surviving spouse, surviving children in equal shares,
131 surviving parents in equal shares, or estate of the last
132 person, in that order of precedence, to receive a monthly
133 allowance in a lump sum payment. If the total of the sixty
134 payments paid to the retired individual and the beneficiary
135 of the retired individual is less than the total of the
136 member's accumulated contributions, the difference shall be
137 paid to the beneficiary in a lump sum.

138 (2) The election of an option may be made only in the
139 application for retirement and such application must be
140 filed prior to the date on which the retirement of the
141 member is to be effective. If either the member or the
142 person nominated to receive the survivorship payments dies

143 before the effective date of retirement, the option shall
144 not be effective, provided that:

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

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

175 4. If the total of the retirement or disability
176 allowance paid to an individual before the death of the
177 individual is less than the accumulated contributions at the
178 time of retirement, the difference shall be paid to the
179 beneficiary of the individual, or to the surviving spouse,
180 surviving children in equal shares, surviving parents in
181 equal shares, or estate of the individual in that order of
182 precedence. If an optional benefit as provided in option 2,
183 3 or 4 in subsection 3 of this section had been elected, and
184 the beneficiary dies after receiving the optional benefit,
185 and if the total retirement allowance paid to the retired
186 individual and the beneficiary of the retired individual is
187 less than the total of the contributions, the difference
188 shall be paid to the surviving spouse, surviving children in
189 equal shares, surviving parents in equal shares, or estate
190 of the beneficiary, in that order of precedence, unless the
191 retired individual designates a different recipient with the
192 board at or after retirement.

193 5. If a member dies and his or her financial
194 institution is unable to accept the final payment or
195 payments due to the member, the final payment or payments
196 shall be paid to the beneficiary of the member or, if there
197 is no beneficiary, to the surviving spouse, surviving
198 children in equal shares, surviving parents in equal shares,
199 or estate of the member, in that order of precedence, unless
200 otherwise stated. If the beneficiary of a deceased member
201 dies and his or her financial institution is unable to
202 accept the final payment or payments, the final payment or
203 payments shall be paid to the surviving spouse, surviving
204 children in equal shares, surviving parents in equal shares,
205 or estate of the member, in that order of precedence, unless
206 otherwise stated.

207 6. If a member dies before receiving a retirement
208 allowance, the member's accumulated contributions at the
209 time of the death of the member shall be paid to the
210 beneficiary of the member or, if there is no beneficiary, to
211 the surviving spouse, surviving children in equal shares,
212 surviving parents in equal shares, or to the estate of the
213 member, in that order of precedence; except that, no such
214 payment shall be made if the beneficiary elects option 2 in
215 subsection 3 of this section, unless the beneficiary dies
216 before having received benefits pursuant to that subsection
217 equal to the accumulated contributions of the member, in
218 which case the amount of accumulated contributions in excess
219 of the total benefits paid pursuant to that subsection shall
220 be paid to the surviving spouse, surviving children in equal
221 shares, surviving parents in equal shares, or estate of the
222 beneficiary, in that order of precedence.

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

228 8. Notwithstanding any provisions of sections 169.010
229 to 169.141 to the contrary, if a member ceases to be a
230 public school employee after acquiring five or more years of
231 membership service in Missouri, the member may at the option
232 of the member leave the member's contributions with the
233 retirement system and claim a retirement allowance any time
234 after reaching the minimum age for voluntary retirement.
235 When the member's claim is presented to the board, the
236 member shall be granted an allowance as provided in sections
237 169.010 to 169.141 on the basis of the member's age, years
238 of service, and the provisions of the law in effect at the

239 time the member requests the member's retirement to become
240 effective.

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

254 10. Notwithstanding any provisions of sections 169.010
255 to 169.141 to the contrary, from October 13, 1961, the
256 contribution rate pursuant to sections 169.010 to 169.141
257 shall be multiplied by the factor of two-thirds for any
258 member of the system for whom federal Old Age and Survivors
259 Insurance tax is paid from state or local tax funds on
260 account of the member's employment entitling the person to
261 membership in the system. The monetary benefits for a
262 member who elected not to exercise an option to pay into the
263 system a retroactive contribution of four percent on that
264 part of the member's annual salary rate which was in excess
265 of four thousand eight hundred dollars but not in excess of
266 eight thousand four hundred dollars for each year of
267 employment in a position covered by this system between July
268 1, 1957, and July 1, 1961, as provided in subsection 10 of
269 this section as it appears in RSMo, 1969, shall be the sum
270 of:

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

274 (2) For years of membership service after July 1,
275 1946, in which the full contribution rate was paid, full
276 benefits under the formula in effect at the time of the
277 member's retirement;

278 (3) For years of membership service after July 1,
279 1957, and prior to July 1, 1961, the benefits provided in
280 this section as it appears in RSMo, 1959; except that if the
281 member has at least thirty years of creditable service at
282 retirement the member shall receive the benefit payable
283 pursuant to that section as though the member's age were
284 sixty-five at retirement;

285 (4) For years of membership service after July 1,
286 1961, in which the two-thirds contribution rate was paid,
287 two-thirds of the benefits under the formula in effect at
288 the time of the member's retirement.

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

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

297 (2) For years of membership service after July 1,
298 1946, in which the full contribution rate was paid, full
299 benefits under the formula in effect at the time of the
300 member's retirement;

301 (3) For years of membership service after July 1,
302 1957, in which the two-thirds contribution rate was paid,

303 two-thirds of the benefits under the formula in effect at
304 the time of the member's retirement.

305 12. Any retired member of the system who was retired
306 prior to September 1, 1972, or beneficiary receiving
307 payments under option 1 or option 2 of subsection 3 of this
308 section, as such option existed prior to September 1, 1972,
309 will be eligible to receive an increase in the retirement
310 allowance of the member of two percent for each year, or
311 major fraction of more than one-half of a year, which the
312 retired member has been retired prior to July 1, 1975. This
313 increased amount shall be payable commencing with January,
314 1976, and shall thereafter be referred to as the member's
315 retirement allowance. The increase provided for in this
316 subsection shall not affect the retired member's eligibility
317 for compensation provided for in section 169.580 or 169.585,
318 nor shall the amount being paid pursuant to these sections
319 be reduced because of any increases provided for in this
320 section.

321 13. **(1)** If the board of trustees determines that the
322 cost of living, as measured by generally accepted standards,
323 increases two percent or more in the preceding fiscal year,
324 the board shall increase the retirement allowances which the
325 retired members or beneficiaries are receiving by two
326 percent of the amount being received by the retired member
327 or the beneficiary at the time the annual increase is
328 granted by the board with the provision that the increases
329 provided for in this subsection shall not become effective
330 until the fourth January first following the member's
331 retirement or January 1, 1977, whichever later occurs, or in
332 the case of any member retiring on or after July 1, 2000,
333 the increase provided for in this subsection shall not
334 become effective until the third January first following the

335 member's retirement, or in the case of any member retiring
336 on or after July 1, 2001, the increase provided for in this
337 subsection shall not become effective until the second
338 January first following the member's retirement. Commencing
339 with January 1, 1992, if the board of trustees determines
340 that the cost of living has increased five percent or more
341 in the preceding fiscal year, the board shall increase the
342 retirement allowances by five percent. The total of the
343 increases granted to a retired member or the beneficiary
344 after December 31, 1976, may not exceed eighty percent of
345 the retirement allowance established at retirement or as
346 previously adjusted by other subsections.

347 **(2) Notwithstanding any other provision of this**
348 **chapter to the contrary, the limitation on the total of the**
349 **increases granted to a retired member or beneficiary as**
350 **provided by subdivision (1) of this subsection shall be**
351 **subject to an annual increase approved by the board of**
352 **trustees beginning on December 31, 2024, and on each**
353 **December thirty-first thereafter, except that such annual**
354 **increase shall not exceed one percent per year. Any**
355 **increase to the limitation shall depend on the performance**
356 **of the system's investments. If the system's investments**
357 **earn two percent or greater returns in excess of the**
358 **investment return rate adopted by the board of trustees in**
359 **the immediately prior fiscal year, then the percentage of**
360 **the retirement allowance for the total of increases granted**
361 **to a retired member or beneficiary shall be increased by one**
362 **percent. The one percent increase shall be incorporated in**
363 **the calculation applicable to the retirement allowances in**
364 **the calendar year that immediately follows the fiscal year**
365 **in which the system's investments met or exceeded by two**
366 **percent the investment return rate. The total of the**

367 increases granted to a retired member or beneficiary shall
368 not exceed one hundred percent of the retirement allowance
369 established at retirement or as previously adjusted by other
370 sections. The percentage of the retirement allowance for
371 the total of increases granted to a retired member or
372 beneficiary shall not be decreased. Any reference to the
373 limitation on the total of increases granted to a retired
374 member or beneficiary in any other section of this chapter
375 shall be construed to be the percentage of the retirement
376 allowance in effect as increased pursuant to this
377 subdivision, unless such increase to the percentage of the
378 retirement allowance is otherwise expressly excluded.

379 (3) If the cost of living increases less than five
380 percent, the board of trustees may determine the percentage
381 of increase to be made in retirement allowances, but at no
382 time can the increase exceed five percent per year. If the
383 cost of living decreases in a fiscal year, there will be no
384 increase in allowances for retired members on the following
385 January first.

386 14. The board of trustees may reduce the amounts which
387 have been granted as increases to a member pursuant to
388 subsection 13 of this section if the cost of living, as
389 determined by the board and as measured by generally
390 accepted standards, is less than the cost of living was at
391 the time of the first increase granted to the member; except
392 that, the reductions shall not exceed the amount of
393 increases which have been made to the member's allowance
394 after December 31, 1976.

395 15. Any application for retirement shall include a
396 sworn statement by the member certifying that the spouse of
397 the member at the time the application was completed was

398 aware of the application and the plan of retirement elected
399 in the application.

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

412 17. Benefits paid pursuant to the provisions of the
413 public school retirement system of Missouri shall not exceed
414 the limitations of Section 415 of Title 26 of the United
415 States Code except as provided pursuant to this subsection.
416 Notwithstanding any other law to the contrary, the board of
417 trustees may establish a benefit plan pursuant to Section
418 415(m) of Title 26 of the United States Code. Such plan
419 shall be created solely for the purpose described in Section
420 415(m) (3) (A) of Title 26 of the United States Code. The
421 board of trustees may promulgate regulations necessary to
422 implement the provisions of this subsection and to create
423 and administer such benefit plan.

424 18. Notwithstanding any other provision of law to the
425 contrary, any person retired before, on, or after May 26,
426 1994, shall be made, constituted, appointed and employed by
427 the board as a special consultant on the matters of
428 education, retirement and aging, and upon request shall give
429 written or oral opinions to the board in response to such

430 requests. As compensation for such duties the person shall
431 receive an amount based on the person's years of service so
432 that the total amount received pursuant to sections 169.010
433 to 169.141 shall be at least the minimum amounts specified
434 in subdivisions (1) to (4) of this subsection. In
435 determining the minimum amount to be received, the amounts
436 in subdivisions (3) and (4) of this subsection shall be
437 adjusted in accordance with the actuarial adjustment, if
438 any, that was applied to the person's retirement allowance.
439 In determining the minimum amount to be received, beginning
440 September 1, 1996, the amounts in subdivisions (1) and (2)
441 of this subsection shall be adjusted in accordance with the
442 actuarial adjustment, if any, that was applied to the
443 person's retirement allowance due to election of an optional
444 form of retirement having a continued monthly payment after
445 the person's death. Notwithstanding any other provision of
446 law to the contrary, no person retired before, on, or after
447 May 26, 1994, and no beneficiary of such a person, shall
448 receive a retirement benefit pursuant to sections 169.010 to
449 169.141 based on the person's years of service less than the
450 following amounts:

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

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

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

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

459 19. Notwithstanding any other provisions of law to the
460 contrary, any person retired prior to May 26, 1994, and any
461 designated beneficiary of such a retired member who was

462 deceased prior to July 1, 1999, shall be made, constituted,
463 appointed and employed by the board as a special consultant
464 on the matters of education, retirement or aging and upon
465 request shall give written or oral opinions to the board in
466 response to such requests. Beginning September 1, 1996, as
467 compensation for such service, the member shall have added,
468 pursuant to this subsection, to the member's monthly annuity
469 as provided by this section a dollar amount equal to the
470 lesser of sixty dollars or the product of two dollars
471 multiplied by the member's number of years of creditable
472 service. Beginning September 1, 1999, the designated
473 beneficiary of the deceased member shall as compensation for
474 such service have added, pursuant to this subsection, to the
475 monthly annuity as provided by this section a dollar amount
476 equal to the lesser of sixty dollars or the product of two
477 dollars multiplied by the member's number of years of
478 creditable service. The total compensation provided by this
479 section including the compensation provided by this
480 subsection shall be used in calculating any future cost-of-
481 living adjustments provided by subsection 13 of this section.

482 20. Any member who has retired prior to July 1, 1998,
483 and the designated beneficiary of a deceased retired member
484 shall be made, constituted, appointed and employed by the
485 board as a special consultant on the matters of education,
486 retirement and aging, and upon request shall give written or
487 oral opinions to the board in response to such requests. As
488 compensation for such duties the person shall receive a
489 payment equivalent to eight and seven-tenths percent of the
490 previous month's benefit, which shall be added to the
491 member's or beneficiary's monthly annuity and which shall
492 not be subject to the provisions of subsections 13 and 14 of

493 this section for the purposes of the limit on the total
494 amount of increases which may be received.

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

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

518 23. Any member who has retired prior to July 1, 2000,
519 and the designated beneficiary of a deceased retired member
520 shall be made, constituted, appointed and employed by the
521 board as a special consultant on the matters of education,
522 retirement and aging, and upon request shall give written or
523 oral opinions to the board in response to such requests. As
524 compensation for such duties, the person shall receive a

525 payment equivalent to three and five-tenths percent of the
526 previous month's benefit, which shall be added to the member
527 or beneficiary's monthly annuity and which shall not be
528 subject to the provisions of subsections 13 and 14 of this
529 section for the purposes of the limit on the total amount of
530 increases which may be received.

531 24. Any member who has retired prior to July 1, 2001,
532 and the designated beneficiary of a deceased retired member
533 shall be made, constituted, appointed and employed by the
534 board as a special consultant on the matters of education,
535 retirement and aging, and upon request shall give written or
536 oral opinions to the board in response to such requests. As
537 compensation for such duties, the person shall receive a
538 dollar amount equal to three dollars times the member's
539 number of years of creditable service, which shall be added
540 to the member's or beneficiary's monthly annuity and which
541 shall not be subject to the provisions of subsections 13 and
542 14 of this section for the purposes of the limit on the
543 total amount of increases which may be received.

169.670. 1. The retirement allowance of a member
2 whose age at retirement is sixty years or more and whose
3 creditable service is five years or more, or whose sum of
4 age and creditable service equals eighty years or more, or
5 whose creditable service is thirty years or more regardless
6 of age, shall be the sum of the following items:

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

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

11 (3) Eighty-five one-hundredths of one percent of any
12 amount by which the member's average compensation for
13 services rendered prior to July 1, 1973, exceeds the average

14 monthly compensation on which federal Social Security taxes
15 were paid during the period over which such average
16 compensation was computed, for each year of membership
17 service credit for services rendered prior to July 1, 1973,
18 plus six-tenths of the amount payable for a year of
19 membership service for each year of prior service credit;

20 (4) In lieu of the retirement allowance otherwise
21 provided by subdivisions (1) to (3) of this subsection, a
22 member may elect to receive a retirement allowance of:

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

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

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

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

43 (e) One and fifty-one hundredths percent of the
44 member's final average salary for each year of membership
45 service, if the member's creditable service is twenty-five

46 years or more but less than twenty-six years and the member
47 has not attained the age of fifty-five; and

48 (5) In addition to the retirement allowance provided
49 in subdivisions (1) to (3) of this subsection, a member
50 retiring on or after July 1, 2001, whose creditable service
51 is thirty years or more or whose sum of age and creditable
52 service is eighty years or more, shall receive a temporary
53 retirement allowance equivalent to eight-tenths of one
54 percent of the member's final average salary multiplied by
55 the member's years of service until such time as the member
56 reaches the minimum age for Social Security retirement
57 benefits.

58 2. (1) If the board of trustees determines that the
59 cost of living, as measured by generally accepted standards,
60 increases five percent or more in the preceding fiscal year,
61 the board shall increase the retirement allowances which the
62 retired members or beneficiaries are receiving by five
63 percent of the amount being received by the retired member
64 or the beneficiary at the time the annual increase is
65 granted by the board; provided that, the increase provided
66 in this subsection shall not become effective until the
67 fourth January first following a member's retirement or
68 January 1, 1982, whichever occurs later, and the total of
69 the increases granted to a retired member or the beneficiary
70 after December 31, 1981, may not exceed eighty percent of
71 the retirement allowance established at retirement or as
72 previously adjusted by other provisions of law.

73 (2) **Notwithstanding any other provision of this**
74 **chapter to the contrary, the limitation on the total of the**
75 **increases granted to a retired member or beneficiary as**
76 **provided by subdivision (1) of this subsection shall be**
77 **subject to an annual increase approved by the board of**

78 trustees beginning on December 31, 2024, and on each
79 December thirty-first thereafter, except that such annual
80 increase shall not exceed one percent per year. Any
81 increase to the limitation shall depend on the performance
82 of the system's investments. If the system's investments
83 earn two percent or greater returns in excess of the
84 investment return rate adopted by the board of trustees in
85 the immediately prior fiscal year, then the percentage of
86 the retirement allowance for the total of increases granted
87 to a retired member or beneficiary shall be increased by one
88 percent. The one percent increase shall be incorporated in
89 the calculation applicable to the retirement allowances in
90 the calendar year that immediately follows the fiscal year
91 in which the system's investments met or exceeded by two
92 percent the investment return rate. The total of the
93 increases granted to a retired member or beneficiary shall
94 not exceed one hundred percent of the retirement allowance
95 established at retirement or as previously adjusted by other
96 sections. The percentage of the retirement allowance for
97 the total of increases granted to a retired member or
98 beneficiary shall not be decreased. Any reference to the
99 limitation on the total of increases granted to a retired
100 member or beneficiary in any other section of this chapter
101 shall be construed to be the percentage of the retirement
102 allowance in effect as increased pursuant to this
103 subdivision, unless such increase to the percentage of the
104 retirement allowance is otherwise expressly excluded.

105 (3) If the cost of living increases less than five
106 percent, the board of trustees may determine the percentage
107 of increase to be made in retirement allowances, but at no
108 time can the increase exceed five percent per year. If the
109 cost of living decreases in a fiscal year, there will be no

110 increase in allowances for retired members on the following
111 January first.

112 3. The board of trustees may reduce the amounts which
113 have been granted as increases to a member pursuant to
114 subsection 2 of this section if the cost of living, as
115 determined by the board and as measured by generally
116 accepted standards, is less than the cost of living was at
117 the time of the first increase granted to the member;
118 provided that, the reductions shall not exceed the amount of
119 increases which have been made to the member's allowance
120 after December 31, 1981.

121 4. (1) In lieu of the retirement allowance provided
122 in subsection 1 of this section, called option 1, a member
123 whose creditable service is twenty-five years or more or who
124 has attained age fifty-five with five or more years of
125 creditable service may elect, in the application for
126 retirement, to receive the actuarial equivalent of the
127 member's retirement allowance in reduced monthly payments
128 for life during retirement with the provision that:

129 Option 2.

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

139 Option 3.

140 Upon the death of the member three-fourths of the
141 reduced retirement allowance shall be continued throughout

142 the life of and paid to such person as has an insurable
143 interest in the life of the member and as the member shall
144 have nominated in an election of the option, and provided
145 further that if the person so nominated dies before the
146 retired member, the retirement allowance will be increased
147 to the amount the retired member would be receiving had the
148 member elected option 1; or

149 Option 4.

150 Upon the death of the member one-half of the reduced
151 retirement allowance shall be continued throughout the life
152 of, and paid to, such person as has an insurable interest in
153 the life of the member and as the member shall have
154 nominated in an election of the option, and provided further
155 that if the person so nominated dies before the retired
156 member, the retirement allowance shall be increased to the
157 amount the retired member would be receiving had the member
158 elected option 1; or

159 Option 5.

160 Upon the death of the member prior to the member having
161 received one hundred twenty monthly payments of the member's
162 reduced allowance, the remainder of the one hundred twenty
163 monthly payments of the reduced allowance shall be paid to
164 such beneficiary as the member shall have nominated in the
165 member's election of the option or in a subsequent
166 nomination. If there is no beneficiary so nominated who
167 survives the member for the remainder of the one hundred
168 twenty monthly payments, the reserve for the remainder of
169 such one hundred twenty monthly payments shall be paid to
170 the surviving spouse, surviving children in equal shares,
171 surviving parents in equal shares, or estate of the last
172 person, in that order of precedence, to receive a monthly
173 allowance in a lump sum payment. If the total of the one

174 hundred twenty payments paid to the retired individual and
175 the beneficiary of the retired individual is less than the
176 total of the member's accumulated contributions, the
177 difference shall be paid to the beneficiary in a lump sum; or

178 Option 6.

179 Upon the death of the member prior to the member having
180 received sixty monthly payments of the member's reduced
181 allowance, the remainder of the sixty monthly payments of
182 the reduced allowance shall be paid to such beneficiary as
183 the member shall have nominated in the member's election of
184 the option or in a subsequent nomination. If there is no
185 beneficiary so nominated who survives the member for the
186 remainder of the sixty monthly payments, the reserve for the
187 remainder of such sixty monthly payments shall be paid to
188 the surviving spouse, surviving children in equal shares,
189 surviving parents in equal shares, or estate of the last
190 person, in that order of precedence, to receive a monthly
191 allowance in a lump sum payment. If the total of the sixty
192 payments paid to the retired individual and the beneficiary
193 of the retired individual is less than the total of the
194 member's accumulated contributions, the difference shall be
195 paid to the beneficiary in a lump sum; or

196 Option 7.

197 A plan of variable monthly benefit payments which
198 provides, in conjunction with the member's retirement
199 benefits under the federal Social Security laws, level or
200 near-level retirement benefit payments to the member for
201 life during retirement, and if authorized, to an appropriate
202 beneficiary designated by the member. Such a plan shall be
203 actuarially equivalent to the retirement allowance under
204 option 1 and shall be available for election only if

205 established by the board of trustees under duly adopted
206 rules.

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

213 (a) If the member or a person retired on disability
214 retirement dies after attaining age fifty-five and acquiring
215 five or more years of creditable service or after acquiring
216 twenty-five or more years of creditable service and before
217 retirement, except retirement with disability benefits, and
218 the person named by the member as the member's beneficiary
219 has an insurable interest in the life of the deceased
220 member, the designated beneficiary may elect to receive
221 either survivorship payments under option 2 or a payment of
222 the member's accumulated contributions. If survivorship
223 benefits under option 2 are elected and the member at the
224 time of death would have been eligible to receive an
225 actuarial equivalent of the member's retirement allowance,
226 the designated beneficiary may further elect to defer the
227 option 2 payments until the date the member would have been
228 eligible to receive the retirement allowance provided in
229 subsection 1 of this section.

230 (b) If the member or a person retired on disability
231 retirement dies before attaining age fifty-five but after
232 acquiring five but fewer than twenty-five years of
233 creditable service, and the person named as the beneficiary
234 has an insurable interest in the life of the deceased member
235 or disability retiree, the designated beneficiary may elect
236 to receive either a payment of the person's accumulated

237 contributions or survivorship benefits under option 2 to
238 begin on the date the member would first have been eligible
239 to receive an actuarial equivalent of the person's
240 retirement allowance, or to begin on the date the member
241 would first have been eligible to receive the retirement
242 allowance provided in subsection 1 of this section.

243 5. If the total of the retirement or disability
244 allowances paid to an individual before the person's death
245 is less than the person's accumulated contributions at the
246 time of the person's retirement, the difference shall be
247 paid to the person's beneficiary or, if there is no
248 beneficiary, to the surviving spouse, surviving children in
249 equal shares, surviving parents in equal shares, or person's
250 estate, in that order of precedence; provided, however, that
251 if an optional benefit, as provided in option 2, 3 or 4 in
252 subsection 4 of this section, had been elected and the
253 beneficiary dies after receiving the optional benefit, then,
254 if the total retirement allowances paid to the retired
255 individual and the individual's beneficiary are less than
256 the total of the contributions, the difference shall be paid
257 to the surviving spouse, surviving children in equal shares,
258 surviving parents in equal shares, or estate of the
259 beneficiary, in that order of precedence, unless the retired
260 individual designates a different recipient with the board
261 at or after retirement.

262 6. If a member dies and his or her financial
263 institution is unable to accept the final payment or
264 payments due to the member, the final payment or payments
265 shall be paid to the beneficiary of the member or, if there
266 is no beneficiary, to the surviving spouse, surviving
267 children in equal shares, surviving parents in equal shares,
268 or estate of the member, in that order of precedence, unless

269 otherwise stated. If the beneficiary of a deceased member
270 dies and his or her financial institution is unable to
271 accept the final payment or payments, the final payment or
272 payments shall be paid to the surviving spouse, surviving
273 children in equal shares, surviving parents in equal shares,
274 or estate of the member, in that order of precedence, unless
275 otherwise stated.

276 7. If a member dies before receiving a retirement
277 allowance, the member's accumulated contributions at the
278 time of the member's death shall be paid to the member's
279 beneficiary or, if there is no beneficiary, to the surviving
280 spouse, surviving children in equal shares, surviving
281 parents in equal shares, or to the member's estate;
282 provided, however, that no such payment shall be made if the
283 beneficiary elects option 2 in subsection 4 of this section,
284 unless the beneficiary dies before having received benefits
285 pursuant to that subsection equal to the accumulated
286 contributions of the member, in which case the amount of
287 accumulated contributions in excess of the total benefits
288 paid pursuant to that subsection shall be paid to the
289 surviving spouse, surviving children in equal shares,
290 surviving parents in equal shares, or estate of the
291 beneficiary, in that order of precedence.

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

297 9. Notwithstanding any provisions of sections 169.600
298 to 169.715 to the contrary, if a member ceases to be an
299 employee as defined in section 169.600 after acquiring five
300 or more years of creditable service, the member may, at the

301 option of the member, leave the member's contributions with
302 the retirement system and claim a retirement allowance any
303 time after the member reaches the minimum age for voluntary
304 retirement. When the member's claim is presented to the
305 board, the member shall be granted an allowance as provided
306 in sections 169.600 to 169.715 on the basis of the member's
307 age and years of service.

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

312 11. Notwithstanding any provisions of sections 169.600
313 to 169.715 to the contrary, any member who is a member prior
314 to October 13, 1969, may elect to have the member's
315 retirement allowance computed in accordance with sections
316 169.600 to 169.715 as they existed prior to October 13, 1969.

317 12. Any application for retirement shall include a
318 sworn statement by the member certifying that the spouse of
319 the member at the time the application was completed was
320 aware of the application and the plan of retirement elected
321 in the application.

322 13. Notwithstanding any other provision of law, any
323 person retired prior to August 14, 1984, who is receiving a
324 reduced retirement allowance under option 1 or 2 of
325 subsection 4 of this section, as the option existed prior to
326 August 14, 1984, and whose beneficiary nominated to receive
327 continued retirement allowance payments under the elected
328 option dies or has died, shall upon application to the board
329 of trustees have the person's retirement allowance increased
330 to the amount the person would have been receiving had the
331 person not elected the option actuarially adjusted to

332 recognize any excessive benefits which would have been paid
333 to the person up to the time of the application.

334 14. Benefits paid pursuant to the provisions of the
335 public education employee retirement system of Missouri
336 shall not exceed the limitations of Section 415 of Title 26
337 of the United States Code, except as provided under this
338 subsection. Notwithstanding any other law, the board of
339 trustees may establish a benefit plan under Section 415(m)
340 of Title 26 of the United States Code. Such plan shall be
341 credited solely for the purpose described in Section
342 415(m) (3) (A) of Title 26 of the United States Code. The
343 board of trustees may promulgate regulations necessary to
344 implement the provisions of this subsection and to create
345 and administer such benefit plan.

346 15. Any member who has retired prior to July 1, 1999,
347 and the designated beneficiary of a deceased retired member
348 upon request shall be made, constituted, appointed and
349 employed by the board as a special consultant on the matters
350 of education, retirement and aging. As compensation for
351 such duties the person shall receive a payment equivalent to
352 seven and four-tenths percent of the previous month's
353 benefit, which shall be added to the member's or
354 beneficiary's monthly annuity and which shall not be subject
355 to the provisions of subsections 2 and 3 of this section for
356 the purposes of the limit on the total amount of increases
357 which may be received.

358 16. Any member who has retired prior to July 1, 2000,
359 and the designated beneficiary of a deceased retired member
360 upon request shall be made, constituted, appointed and
361 employed by the board as a special consultant on the matters
362 of education, retirement and aging. As compensation for
363 such duties the person shall receive a payment equivalent to

364 three and four-tenths percent of the previous month's
365 benefit, which shall be added to the member's or
366 beneficiary's monthly annuity and which shall not be subject
367 to the provisions of subsections 2 and 3 of this section for
368 the purposes of the limit on the total amount of increases
369 which may be received.

370 17. Any member who has retired prior to July 1, 2001,
371 and the designated beneficiary of a deceased retired member
372 upon request shall be made, constituted, appointed and
373 employed by the board as a special consultant on the matters
374 of education, retirement and aging. As compensation for
375 such duties the person shall receive a payment equivalent to
376 seven and one-tenth percent of the previous month's benefit,
377 which shall be added to the member's or beneficiary's
378 monthly annuity and which shall not be subject to the
379 provisions of subsections 2 and 3 of this section for the
380 purposes of the limit on the total amount of increases which
381 may be received.

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