

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE BILL NO. 898
102ND GENERAL ASSEMBLY

3453H.04C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 70.605, 70.630, 70.655, 70.680, 70.690, 70.745, 70.746, 70.747, 86.200, 87.140, 87.145, 87.155, 87.260, 87.350, 105.688, 143.124, 169.070, 169.560, and 169.660, RSMo, and to enact in lieu thereof twenty-one new sections relating to pensions.

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70.747, 86.200, 87.140, 87.145, 87.155, 87.260, 87.350, 105.688, 143.124, 169.070, 169.560, and 169.660, RSMo, are repealed and twenty-one new sections enacted in lieu thereof, to be known as sections 70.605, 70.630, 70.655, 70.680, 70.690, 70.745, 70.746, 70.747, 70.748, 86.200, 87.140, 87.145, 87.155, 87.260, 87.350, 105.688, 105.692, 143.124, 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.

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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

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

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

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

29 ~~(3) That person appointed by the governor under the provisions of subsection 2 of this~~
30 ~~section. All the members of the first board shall take office as soon as appointed by the~~
31 ~~governor, but their terms shall be computed from the first day of January next following their~~
32 ~~appointment, and only one member may be from any political subdivision or be a policeman~~
33 ~~or fireman].~~

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

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

46 6. ~~[An annual meeting of the retirement system shall be called by the board in the last~~
47 ~~calendar quarter of each year in Jefferson City, or at such place as the board shall determine,~~
48 ~~for the purpose of electing trustees and to transact such other business as may be required for~~

49 ~~the proper operation of the system. Notice of such meeting shall be sent by registered mail to~~
50 ~~the clerk or secretary of each employer not less than thirty days prior to the date of such~~
51 ~~meeting. The governing body of each employer shall certify to the board the name of one~~
52 ~~delegate who shall be an officer of the employer, and the members of the employer shall~~
53 ~~certify to the board a member of the employer to represent such employer at such meeting.~~
54 ~~The delegate certified as member delegate shall be elected by secret ballot by the members of~~
55 ~~such employer, and the clerk or secretary of each employer shall be charged with the duty of~~
56 ~~conducting such election in a manner which will permit each member to vote in such election.~~
57 ~~Under such rules and regulations as the board shall adopt, approved by the delegates, the~~
58 ~~member delegates shall elect a member trustee for each such position on the board to be~~
59 ~~filled, and the officer delegates shall elect an employer trustee for each such position on the~~
60 ~~board to be filled] **Successor trustees elected as retiree trustees shall be retirants of the**~~
61 **system pursuant to sections 70.600 to 70.755.**

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

64 **8.** In the event any [~~member trustee ceases to be a member of the retirement system,~~
65 ~~or any employer trustee ceases to be an appointed or elected official of an employer, or~~
66 ~~becomes a member of the retirement system, or if the trustee appointed by the governor~~
67 ~~becomes a member of the retirement system or an elected or appointed official of a political~~
68 ~~subdivision] **trustee ceases to meet the eligibility requirements pursuant to this section,**~~

69 or if any trustee fails to attend three consecutive meetings of the board, unless in each case
70 excused for cause by the remaining trustees attending such meeting or meetings, he or she
71 shall be considered as having resigned from the board and the board shall, by resolution,
72 declare his or her office of trustee vacated. If a vacancy occurs in the office of trustee, the
73 vacancy shall be filled for the unexpired term in the same manner as the office was previously
74 filled; provided, however, that the remaining trustees may fill employer and member trustee
75 vacancies on the board until the next [~~annual meeting] **election.**~~

76 ~~[8-] **9.**~~ Each trustee shall be commissioned by the governor, and before entering upon
77 the duties of his office, shall take and subscribe to an oath or affirmation to support the
78 Constitution of the United States, and of the state of Missouri, and to demean himself
79 faithfully in his or her office. Such oath as subscribed to shall be filed in the office of the
80 secretary of state of this state.

81 ~~[9-] **10.**~~ Each trustee shall be entitled to one vote in the board of trustees. Four votes
82 shall be necessary for a decision by the trustees at any meeting of the board of trustees. Four
83 trustees~~[, of whom at least two shall be member trustees and at least two shall be employer~~
84 ~~trustees,] shall constitute a quorum at any meeting of the board. Unless otherwise expressly~~
85 provided herein, a meeting need not be called or held to make any decision on a matter before

86 the board. Each member must be sent by the executive secretary a copy of the matter to be
87 decided with full information from the files of the board. The concurring decisions of four
88 trustees may decide the issue by signing a document declaring their decision and sending the
89 written instrument to the executive secretary, provided that no other trustee shall send a
90 dissenting decision to the executive secretary within fifteen days after the document and
91 information was mailed to him or her. If any trustee is not in agreement with the four trustees,
92 the matter is to be passed on at a regular board meeting or a special meeting called for that
93 purpose. The board shall hold regular meetings at least once each quarter, the dates of these
94 meetings to be designated in the rules and regulations adopted by the board. Other meetings
95 as deemed necessary may be called by the ~~[chairman]~~ **chairperson** or by any four trustees
96 acting jointly.

97 ~~[10.]~~ **11.** The board of trustees shall elect one of their number as ~~[chairman]~~
98 **chairperson**, and one of their number as vice ~~[chairman]~~ **chairperson**, and shall employ an
99 executive secretary, not one of their number, who shall be the executive officer of the board.
100 Other employees of the board shall be chosen only upon the recommendation of the executive
101 secretary.

102 ~~[11.]~~ **12.** The board shall appoint an actuary or a firm of actuaries as technical advisor
103 to the board on matters regarding the operation of the system on an actuarial basis. The
104 actuary or actuaries shall perform such duties as are required of him or her under sections
105 70.600 to 70.755, and as are from time to time required by the board.

106 ~~[12.]~~ **13.** The board may appoint an attorney-at-law or firm of attorneys-at-law to be
107 the legal advisor of the board and to represent the board in all legal proceedings.

108 ~~[13.]~~ **14.** The board may appoint an investment counselor to be the investment advisor
109 of the board.

110 ~~[14.]~~ **15.** The board shall from time to time, after receiving the advice of its actuary,
111 adopt such mortality and other tables of experience, and a rate or rates of regular interest, as
112 shall be necessary for the actuarial requirements of the system, and shall require its executive
113 secretary to keep in convenient form such data as shall be necessary for actuarial
114 investigations of the experience of the system, and such data as shall be necessary for the
115 annual actuarial valuations of the system.

116 ~~[15.]~~ **16.** The board shall keep a record of its proceedings, which shall be open to
117 public inspection. It shall prepare annually and render to each employer a report showing the
118 financial condition of the system as of the preceding June thirtieth. The report shall contain,
119 but shall not be limited to, a financial balance sheet; a statement of income and
120 disbursements; a detailed statement of investments acquired and disposed of during the
121 year, together with a detailed statement of the annual rates of investment income from all
122 assets and from each type of investment; an actuarial balance sheet prepared by means of the

123 last valuation of the system, and such other data as the board shall deem necessary or
124 desirable for a proper understanding of the condition of the system.

125 ~~[16.]~~ 17. The board of trustees shall, after reasonable notice to all interested parties,
126 conduct administrative hearings to hear and decide questions arising from the administration
127 of sections 70.600 to 70.755; except, that such hearings may be conducted by a hearing
128 officer who shall be appointed by the board. The hearing officer shall preside at the hearing
129 and hear all evidence and rule on the admissibility of evidence. The hearing officer shall
130 make recommended findings of fact and may make recommended conclusions of law to the
131 board. All final orders or determinations or other final actions by the board shall be approved
132 in writing by at least four members of the board. Any board member approving in writing
133 any final order, determination or other final action, who did not attend the hearing, shall do so
134 only after certifying that he or she reviewed all exhibits and read the entire transcript of the
135 hearing. Within thirty days after a decision or order or final action of the board, any member,
136 retirant, beneficiary or political subdivision adversely affected by that determination or order
137 or final action may take an appeal under the provisions of chapter 536. Jurisdiction over any
138 dispute regarding the interpretation of sections 70.600 to 70.755 and the determinations
139 required thereunder shall lie in the circuit court of Cole County.

140 ~~[17.]~~ 18. The board shall arrange for adequate surety bonds covering the executive
141 secretary and any other custodian of the funds or investments of the board. When approved
142 by the board, said bonds shall be deposited in the office of the secretary of state.

143 ~~[18.]~~ 19. The board shall arrange for annual audits of the records and accounts of the
144 system by a certified public accountant or by a firm of certified public accountants.

145 ~~[19.]~~ 20. The headquarters of the retirement system shall be in Jefferson City.

146 ~~[20.]~~ 21. The board of trustees shall serve as trustees without compensation for their
147 services as such; except that each trustee shall be paid for any necessary expenses incurred in
148 attending meetings of the board or in the performance of other duties authorized by the board.

149 ~~[21.]~~ 22. Subject to the limitations of sections 70.600 to 70.755, the board shall
150 formulate and adopt rules and regulations for the government of its own proceedings and for
151 the administration of the retirement system.

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

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

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

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

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

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

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

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

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

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

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

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

10 (3) Benefit program LT-4. A member with credited service covered by benefit
11 program LT-4 shall receive an allowance for life equal to one percent of the member's final
12 average salary multiplied by the number of years of such credited service. In addition, if such
13 member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and if

14 such member's age at retirement is younger than age sixty-two, then such member shall
15 receive a temporary allowance equal to one percent of the member's final average salary
16 multiplied by the number of years of such credited service. Such temporary allowance shall
17 terminate at the end of the calendar month in which the earlier of the following events occurs:
18 such member's death; or the member's attainment of age sixty-two;

19 (4) Benefit program LT-5. A member with credited service covered by benefit
20 program LT-5 shall receive an allowance for life equal to one and one-quarter percent of the
21 member's final average salary multiplied by the number of years of such credited service. In
22 addition, if such member is retiring as provided in section 70.645 or section 70.650 or section
23 70.670, and if such member's age at retirement is younger than age sixty-two, then such
24 member shall receive a temporary allowance equal to three-quarters of one percent of the
25 member's final average salary multiplied by the number of years of such credited service.
26 Such temporary allowance shall terminate at the end of the calendar month in which the
27 earlier of the following events occurs: such member's death; or the member's attainment of
28 age sixty-two;

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

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

35 (7) Benefit program LT-8. A member with credited service covered by benefit
36 program LT-8 shall receive an allowance for life equal to one and one-half percent of the
37 member's final average salary multiplied by the number of years of such credited service. In
38 addition, if such member is retiring as provided in section 70.645 or section 70.650 or section
39 70.670, and if such member's age at retirement is younger than age sixty-two, then such
40 member shall receive a temporary allowance equal to one-half of one percent of the member's
41 final average salary multiplied by the number of years of such credited service. Such
42 temporary allowance shall terminate at the end of the calendar month in which the earlier of
43 the following events occurs: such member's death; or the member's attainment of age sixty-
44 two;

45 (8) Benefit program LT-4(65). A member with credited service covered by benefit
46 program LT-4(65) shall receive an allowance for life equal to one percent of the member's
47 final average salary multiplied by the number of years of such credited service. In addition, if
48 such member is retiring as provided in section 70.645 or section 70.650 or section 70.670, and
49 if such member's age at retirement is younger than age sixty-five, then such member shall
50 receive a temporary allowance equal to one percent of the member's final average salary

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

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

64 (10) Benefit program LT-8(65). A member with credited service covered by benefit
65 program LT-8(65) shall receive an allowance for life equal to one and one-half percent of the
66 member's final average salary multiplied by the number of years of such credited service. In
67 addition, if such member is retiring as provided in section 70.645 or section 70.650 or section
68 70.670, and if such member's age at retirement is younger than age sixty-five, then such
69 member shall receive a temporary allowance equal to one-half of one percent of the member's
70 final average salary multiplied by the number of years of such credited service. Such
71 temporary allowance shall terminate at the end of the calendar month in which the earlier of
72 the following events occurs: such member's death; or the member's attainment of age sixty-
73 five;

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

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

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

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

97 (15) Benefit program LT-14(65). A member with credited service covered by benefit
98 program LT-14(65) shall receive an allowance for life equal to one and three-quarter percent
99 of the member's final average salary multiplied by the number of years of such credited
100 service. In addition, if such member is retiring as provided in section 70.645, 70.650, or
101 70.670, then such member shall receive a temporary allowance equal to one-quarter of one
102 percent of the member's final average salary multiplied by the number of years of such
103 credited service. Such temporary allowance shall terminate at the end of the calendar month
104 in which the earlier of the following events occurs: such member's death or the member's
105 attainment of age sixty-five.

106 2. If each portion of a member's credited service is not covered by the same benefit
107 program, then the member's total allowance for life shall be the total of the allowance for life
108 determined under each applicable benefit program.

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

112 4. Except as otherwise provided in this subsection, each political subdivision, by
113 majority vote of its governing body, may elect from time to time to cover its members, whose
114 political subdivision employment is concurrently covered by federal Social Security, under
115 one of the benefit programs provided for in this section. Each political subdivision, by
116 majority vote of its governing body, may elect from time to time to cover its members, whose
117 political subdivision employment is not concurrently covered by federal Social Security,
118 under one of the benefit programs provided for in this section. The clerk or secretary of the
119 political subdivision shall certify the election of the benefit program to the board within ten
120 days after such vote. The effective date of the political subdivision's benefit program is the
121 first day of the calendar month specified by such governing body, or the first day of the
122 calendar month next following receipt by the board of the certification of election of benefit
123 program, or the effective date of the political subdivision becoming an employer, whichever

124 is the latest. Such election of benefit program may be changed from time to time by such
125 vote, but not more often than biennially. If such changed benefit program provides larger
126 allowances than the benefit program previously in effect, then such larger benefit program
127 shall be applicable to the past and future employment with the employer by present and future
128 employees. If such changed benefit program provides smaller allowances than the benefit
129 program previously in effect, then such changed benefit program shall be applicable only to
130 credited service for employment rendered from and after the effective date of such change.
131 After August 28, 1994, political subdivisions shall not elect coverage under benefit program
132 LT-4, benefit program LT-5, or benefit program LT-8. After August 28, 2005, political
133 subdivisions shall not elect coverage under benefit program L-9 or benefit program LT-10
134 (65).

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

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

141 7. Subject to the provisions of subsections **8 and 9** ~~and 10~~ of this section, for an
142 allowance becoming effective on September 28, 1975, or later, and beginning with the
143 October first which is at least twelve full months after the effective date of the allowance, the
144 amount of the allowance shall be redetermined effective each October first and such
145 redetermined amount shall be payable for the ensuing year. Subject to the limitations stated
146 in the next sentence, such redetermined amount shall be the amount of the allowance
147 otherwise payable multiplied by the following percent: one hundred percent, plus two percent
148 for each full year (excluding any fraction of a year) in the period from the effective date of the
149 allowance to the current October first. In no event shall such redetermined amount (1) be less
150 than the amount of the allowance otherwise payable nor (2) be more than the amount of the
151 allowance otherwise payable multiplied by the following fraction: the numerator shall be the
152 Consumer Price Index for the month of June immediately preceding such October first (but in
153 no event an amount less than the denominator below) and the denominator shall be the
154 Consumer Price Index for the month of June immediately preceding the effective date of the
155 allowance. As used herein, "Consumer Price Index" means **a measure of** the Consumer Price
156 Index ~~[for Urban Wage Earners and Clerical Workers,]~~ as determined by the United States
157 Department of Labor and **adopted by the board of trustees** ~~[in effect January 1, 1975;~~
158 ~~provided, should such Consumer Price Index be restructured subsequent to 1974 in a manner~~
159 ~~materially changing its character, the board shall change the application of the Consumer~~
160 ~~Price Index so that as far as is practicable the 1975 intent of the use of the Consumer Price~~

161 ~~Index shall be continued~~]. As used herein "the amount of the allowance otherwise payable"
 162 means the amount of the allowance which would be payable without regard to these
 163 provisions redetermining allowance amounts after retirement.

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

168 9.] (1) The system establishes reserves for the payment of future allowances to
 169 retirants and beneficiaries. Should the board determine, after consulting with the actuary, that
 170 the established reserves are more than sufficient to provide such allowances, the board may
 171 increase the annual increase rate provided for in ~~[subsections]~~ **subsection 7** ~~[and 8]~~ of this
 172 section, as it applies to any allowance payable, but in no event shall the total of all
 173 redetermined amounts as of October first of any year be greater than one hundred four percent
 174 of the allowances which would have been payable that October first without such
 175 redeterminations; provided, as of any redetermination date the same annual increase rate shall
 176 be applied to all allowances with effective dates in the range of November first to October
 177 first of the following year. The board may extend the provisions of ~~[subsections]~~ **subsection**
 178 **7** ~~[and 8]~~ of this section to allowances which became effective before September 28, 1975;
 179 provided such an action by the board shall not increase an employer contribution rate then in
 180 effect;

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

186 ~~[40.]~~ **9.** Should the board determine that the provisions of subsections 7~~[7-8]~~ and **[9] 8**
 187 of this section are jeopardizing the financial solvency of the system, the board shall suspend
 188 these provisions redetermining allowance amounts after retirement for such periods of time as
 189 the board deems appropriate.

70.680. 1. Any member in service with five or more years of credited service who
 2 has not attained the age and service requirements of section 70.645 and who becomes totally
 3 and permanently physically or mentally incapacitated for his duty as an employee, as the
 4 result of a personal injury or disease, may be retired by the board upon written application
 5 filed with the board by or on behalf of the member; provided, that after a medical examination
 6 of such member made by or under the direction of a medical committee consisting of three
 7 physicians, one of whom shall be selected by the board, one by or on behalf of such member,
 8 and the third by the first two physicians so named, the medical committee reports to the

9 board, by majority opinion in writing, that such member is physically or mentally totally
10 incapacitated for the further performance of duty, that such incapacity will probably be
11 permanent and that such member should be retired.

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

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

28 4. Upon disability retirement as provided in subsection 3 of this section, a member
29 shall receive an allowance for life provided for in section 70.655; provided, that for the sole
30 purpose of computing the amount of such allowance, he or she shall be given credited service
31 for the period from the date of his or her disability retirement to the date he or she would
32 attain age sixty. He or she shall have the right to elect an option provided for in section
33 70.660. His or her disability retirement and allowance shall be subject to the provisions of
34 subsection 5 of this section [~~and to the provisions of section 70.685~~].

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

46 direction of a medical committee consisting of three physicians, one of whom shall be
47 selected by the board, one by or on behalf of the member, and the third by the first two
48 physicians named. Should the medical committee concur, by majority opinion in writing to
49 the board, the disability retirant is capable of resumption of duty, his disability retirement
50 shall terminate and he shall be returned to duty and he shall immediately again become a
51 member of the system, his credited service at the time of disability retirement shall be
52 restored to his credit, and the amount of his accumulated contributions at the time of his
53 disability retirement shall be restored to his credit in the members deposit fund. If he was in
54 receipt of a duty disability allowance provided for in subsection 3 of this section, he shall also
55 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
2 the date he becomes entitled to retire with an allowance payable by the system, he shall be
3 paid, upon his written application filed with the board, his accumulated contributions standing
4 to his credit in the members deposit fund.

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

12 3. In the event a member's membership in the system terminates, and no allowance
13 becomes or will become payable on his account, any accumulated contributions standing to
14 his credit in the members deposit fund unclaimed by such member or his legal representative
15 within ~~three~~ ten years after the date his membership terminated, shall be transferred to the
16 income-expense fund. If thereafter proper application is made for such accumulated
17 contributions, the board shall pay them from the income-expense fund, but without interest
18 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
2 provisions of any applicable federal or state laws, the board shall have full power to invest
3 and reinvest the moneys of the system, and to hold, purchase, sell, assign, transfer or dispose
4 of any of the securities and investments in which such moneys shall have been invested, as
5 well as the proceeds of such investments and such moneys.

6 2. **The board of trustees may deliberate about, or make tentative or final**
7 **decisions on, investments or other financial matters in a closed meeting under chapter**
8 **610 if disclosure of the deliberations or decisions would jeopardize the ability to**
9 **implement a decision or to achieve investment objectives. A record of the retirement**

10 system that discloses deliberations about, or a tentative decision on, investments or
11 other financial matters is not a public record under chapter 610 to the extent and so long
12 as its disclosure would jeopardize the ability to implement a decision or to achieve
13 investment objectives.

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

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

70.747. Notwithstanding any other provision of law to the contrary, the board shall
2 have full power to invest and reinvest the funds and moneys of the system in improved real
3 estate, including collective real estate funds and real estate investment trusts, wherever
4 situated[; ~~provided, however, that not more than one-tenth of the funds and moneys of the~~
5 ~~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
2 **board may set up and maintain a local government employee retirement systems of**
3 **Missouri investment fund account in which investment and reinvestment of all or part**
4 **of the moneys of the retirement system may be placed and be available for investment**
5 **purposes.**

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

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

14 **4. The board of trustees may promulgate all necessary rules and regulations for**
15 **the administration of this section. Any rule or portion of a rule, as that term is defined**
16 **in section 536.010, that is created under the authority delegated in this section shall**
17 **become effective only if it complies with and is subject to all of the provisions of chapter**
18 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**
19 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**
20 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**
21 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
22 **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
2 a different meaning is plainly required by the context, shall have the following meanings:

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

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

8 (3) "Average final compensation":

9 (a) With respect to a member who earns no creditable service on or after October 1,
10 2001, the average earnable compensation of the member during the member's last three years
11 of creditable service as a police officer, or if the member has had less than three years of
12 creditable service, the average earnable compensation of the member's entire period of
13 creditable service;

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

20 (c) With respect to a member who is participating in the DROP pursuant to section
21 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who
22 returns to active participation in the system pursuant to section 86.251, and who terminates
23 employment as a police officer for reasons other than death or disability before earning at
24 least two years of creditable service after such return, the portion of the member's benefit
25 attributable to creditable service earned before DROP entry shall be determined using average
26 final compensation as defined in paragraph (a) of this subdivision; and the portion of the
27 member's benefit attributable to creditable service earned after return to active participation in
28 the system shall be determined using average final compensation as defined in paragraph (b)
29 of this subdivision;

30 (d) With respect to a member who is participating in the DROP pursuant to section
31 86.251 on October 1, 2001, or whose participation in the DROP ended before such date, who
32 returns to active participation in the system pursuant to section 86.251, and who terminates
33 employment as a police officer after earning at least two years of creditable service after such
34 return, the member's benefit attributable to all of such member's creditable service shall be
35 determined using the member's average final compensation as defined in paragraph (b) of this
36 subdivision;

37 (e) With respect to a member who is participating in the DROP pursuant to section
38 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who
39 returns to active participation in the system pursuant to section 86.251, and whose
40 employment as a police officer terminates due to death or disability after such return, the
41 member's benefit attributable to all of such member's creditable service shall be determined
42 using the member's average final compensation as defined in paragraph (b) of this
43 subdivision; and

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

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

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

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

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

55 (8) "Earnable compensation", the annual salary [~~established under section 84.160~~]
56 which a member would earn during one year on the basis of the member's rank or position,

57 plus any additional compensation for academic work and shift differential, that ~~[may be~~
58 ~~provided]~~ **is set** by any **state or municipal body or** official ~~[or board]~~ now or hereafter
59 authorized by law to employ and manage a permanent police force in such cities. Such
60 amount shall include the member's deferrals to a deferred compensation plan pursuant to
61 Section 457 of the Internal Revenue Code or to a cafeteria plan pursuant to Section 125 of the
62 Internal Revenue Code or, effective October 1, 2001, to a transportation fringe benefit
63 program pursuant to Section 132(f)(4) of the Internal Revenue Code. ~~[Earnable~~
64 ~~compensation]~~ **The term "earnable compensation"** shall not include a member's
65 additional compensation for overtime, standby time, court time, nonuniform time or
66 unused vacation time. **The term "earnable compensation" shall not include any funds**
67 **received by a member through a judgment or settlement of a legal action or claim made**
68 **or threatened by the member against any city not within a county, if the funds are**
69 **intended to retroactively compensate the member for the salary differential between the**
70 **member's actual rank and the rank the member claims he or she should have received.**
71 Notwithstanding the foregoing, the earnable compensation taken into account under the plan
72 established pursuant to sections 86.200 to 86.366 with respect to a member who is a
73 noneligible participant, as defined in this subdivision, for any plan year beginning on or after
74 October 1, 1996, shall not exceed the amount of compensation that may be taken into account
75 under Section 401(a)(17) of the Internal Revenue Code, as adjusted for increases in the cost
76 of living, for such plan year. For purposes of this subdivision, a "noneligible participant" is
77 an individual who first becomes a member on or after the first day of the first plan year
78 beginning after the earlier of:
79 (a) The last day of the plan year that includes August 28, 1995; or
80 (b) December 31, 1995;
81 (9) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as
82 amended;
83 (10) "Mandatory contributions", the contributions required to be deducted from the
84 salary of each member who is not participating in DROP in accordance with section 86.320;
85 (11) "Medical board", the health care organization appointed by the trustees of the
86 police retirement board and responsible for arranging and passing upon all medical
87 examinations required under the provisions of sections 86.200 to 86.366, which shall
88 investigate all essential statements and certificates made by or on behalf of a member in
89 connection with an application for disability retirement and shall report in writing to the board
90 of trustees its conclusions and recommendations;
91 (12) "Member", a member of the retirement system as defined by sections 86.200 to
92 86.366;

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

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

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

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

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

107 (18) "Reserve officer", any member of the police reserve force of such cities, armed
108 or unarmed, who works less than full time, without compensation, and who, by his or her
109 assigned function or as implied by his or her uniform, performs duties associated with those
110 of a police officer and who currently receives a service retirement as provided by sections
111 86.200 to 86.366;

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

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

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

87.140. 1. The general administration and the responsibility for the proper operation
2 of the retirement system shall be vested in a board of trustees of nine persons. The board shall
3 be constituted as follows:

4 (1) The chief of the fire department of the city, ex officio;

5 (2) The comptroller or deputy comptroller of the city, ex officio;

6 (3) Two members to be appointed by the mayor of the city to serve for a term of two
7 years;

8 (4) Three members to be elected by the members of the retirement system for a term
9 of three years who shall be members of the system and hold office only while members of the
10 system;

11 (5) Two members who shall be retired firemen to be elected by the retired firemen of
12 the city and who shall hold office for a term of three years.

13 2. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the
14 unexpired term in the same manner as the office was previously filled.

15 3. The trustees shall serve without compensation, but they shall be reimbursed from
16 the expense fund for all necessary expenses which they may incur through service on the
17 board.

18 4. Each trustee shall, within ten days after his appointment or election, take an oath of
19 office before the clerk of circuit court of the city, that, so far as it devolves upon him, he will
20 diligently and honestly administer the affairs of the board and that he will not knowingly
21 violate or willingly permit to be violated any of the provisions of the law applicable to the
22 retirement system. The oath shall be subscribed to by the member making it and certified by
23 the clerk of circuit court and filed in his office.

24 5. Each trustee shall be entitled to one vote on the board. Five votes shall be
25 necessary for a decision by the trustees at any meeting of the board.

26 **6. Notwithstanding any provision of sections 87.120 to 87.371 to the contrary, the**
27 **board of trustees of the retirement system shall not be prevented from simultaneously**
28 **acting as the trustees of any other pension plan that provides retirement, disability, and**
29 **death benefits for firefighters employed by any city not within a county and their**
30 **covered dependents. The administration of the other pension plan shall be in**
31 **accordance with the terms of such pension plan. Nothing in this subsection shall**
32 **prevent the board of alderman of a city not within a county from adopting ordinances to**
33 **govern the pensioning of firefighters and their covered dependents in any other pension**
34 **plan simultaneously administered by the board of trustees of the retirement system.**

87.145. The board of trustees shall have exclusive original jurisdiction in all matters
2 relating to or affecting the funds herein provided for, including, in addition to all other
3 matters, all claims for benefits and refunds under this law, and its action, decision or
4 determination in any matter shall be reviewable under chapter 536 only, and any party to the
5 proceedings shall have a right of appeal from the decision of the reviewing court. Subject to
6 the limitations of sections 87.120 to 87.370, the board of trustees shall, from time to time,
7 establish rules and regulations for the administration of funds created by this law, for the
8 transaction of its business, and for the limitation of the time within which claims may be filed.
9 **The administration of any pension plan, other than the retirement system, includes the**
10 **ability of the board of trustees, from time to time, to establish rules and regulations for**
11 **the administration of funds of such other pension plan and for the transaction of such**
12 **other pension plan's business. Nothing in this section shall prevent the board of**
13 **alderman of a city not within a county from adopting ordinances to govern the**

14 **pensioning of firefighters and their covered dependents in any other pension plan**
15 **simultaneously administered by the board of trustees of the retirement system.**

87.155. 1. The board of trustees shall keep in convenient form such data as is
2 necessary for actuarial valuation of the funds of the retirement system and for checking the
3 experience of the system.

4 2. The board of trustees shall keep a record of all its proceedings which shall be open
5 to public inspection. It shall publish annually a report showing the fiscal transactions of the
6 retirement system for the preceding fiscal year, the amount of the accumulated cash and
7 securities of the system, and the last balance sheet showing the financial condition of the
8 system by means of an actuarial valuation of the assets and liabilities of the retirement
9 system.

10 **3. To the extent the board of trustees administers a pension plan other than the**
11 **retirement system, the board of trustees shall maintain separate records of all**
12 **proceedings of such other pension plan.**

87.260. The board of trustees of the firefighters' retirement system shall have the
2 exclusive authority and discretion to invest and reinvest the funds in property of any kind, real
3 or personal. The board of trustees shall invest and manage the fund as a prudent investor
4 would, by considering the purposes, terms, distribution requirements, and other circumstances
5 of the firefighters' retirement system. In satisfying this standard, the board of trustees shall
6 exercise reasonable care, skill, and caution. No trustee shall have any interest as a trustee in
7 the gains or profits made on any investment, except benefits from interest in investments
8 common to all members of the plan, if entitled thereto. **To the extent the board of trustees**
9 **administers a pension plan other than the retirement system, the board of trustees shall**
10 **also have the authority and discretion to invest and reinvest the funds of such other**
11 **pension plan in property of any kind, real or personal. The board of trustees may**
12 **choose to invest the funds of the retirement system and the funds of the other pension**
13 **plan in the same investments so long as the amounts invested and the gains, profits, or**
14 **losses on such investments are accounted for separately. No benefits due to the**
15 **firefighters or their covered dependents from the other pension plan shall be paid from**
16 **the funds of the retirement system. Nothing in this section shall prevent the board of**
17 **alderman of a city not within a county from adopting ordinances to govern the**
18 **pensioning of firefighters and their covered dependents in any other pension plan**
19 **simultaneously administered by the board of trustees of the retirement system.**

87.350. The expense fund shall be the fund to which shall be credited all money
2 provided to pay the administration expenses of the retirement system and from which shall be
3 paid all the expenses necessary in connection with the administration and operation of the
4 system. Annually the board of trustees shall estimate the amount of money necessary to be

5 paid into the expense fund during the ensuing year to provide for the expense of operation of
6 the retirement system. Such estimate shall be provided by the board of trustees from interest
7 and other earnings on assets of the retirement system. **In no event shall any expenses,**
8 **including administrative expenses, incurred by the board of trustees in the**
9 **administration of any pension plan other than the retirement system or in the**
10 **investment of any funds of any pension plan other than the retirement system be paid**
11 **from the funds of the retirement system. Such expenses shall be paid entirely from the**
12 **funds of the other pension plan.**

105.688. The assets of a system may be invested, reinvested and managed by an
2 investment fiduciary subject to the terms, conditions and limitations provided in sections
3 105.687 to 105.689. An investment fiduciary shall discharge his or her duties in the interest
4 of the participants in the system and their beneficiaries and shall:

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

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

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

13 (4) Give appropriate consideration to those facts and circumstances that the
14 investment fiduciary knows or should know are relevant to the particular investment or
15 investment course of action involved, including the role of the investment or investment
16 course of action plays in that portion of the system's investments for which the investment
17 fiduciary has responsibility. For purposes of this subdivision, "appropriate consideration"
18 shall include, but is not necessarily limited to a determination by the investment fiduciary that
19 a particular investment or investment course of action is reasonably designed, as part of the
20 investments of the system, to further the purposes of the system, taking into consideration the
21 risk of loss and the opportunity for gain or other return associated with the investment or
22 investment course of action; and consideration of the following factors as they relate to the
23 investment or investment course of action:

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

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

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

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

33 (6) **Not consider environmental, social, or governance characteristics in a**
34 **manner that would override his or her fiduciary duties as defined in this section;**

35 (7) **Not be subject to any legislative, regulatory, or other mandates to invest with**
36 **environmentally, socially, or other noneconomically motivated influence unless they are**
37 **consistent with the fiduciary's responsibility as provided in this section or as provided in**
38 **the system's governing statutes with respect to the investment of system assets or other**
39 **duties imposed by law relating to the investment, management, deposit, or custody of**
40 **system assets;**

41 (8) **Not be subject to any legislative, regulatory, or other mandates for**
42 **divestment from any indirect holdings in actively or passively managed investment**
43 **funds or in private assets; and**

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

105.692. 1. All shares of common stock held directly by a system, as defined
2 under section 105.687, shall be voted solely in the economic interest of plan participants.
3 Voting shares for the purposes of furthering noneconomic environmental, social,
4 political, ideological, or other goals is prohibited.

5 2. A system shall vote all proxies associated with its directly held shares of
6 common stock by one of the following methods:

7 (1) By internal system staff; or

8 (2) By an investment manager or proxy voting service provider who has
9 committed in writing to vote the shares pursuant to proxy voting guidelines chosen by
10 the system or has committed in writing to vote the shares in a manner consistent with
11 the obligation to act solely in the economic interest of plan participants.

143.124. 1. Other provisions of law to the contrary notwithstanding, for tax years
2 ending on or before December 31, 2006, the total amount of all annuities, pensions, or
3 retirement allowances above the amount of six thousand dollars annually provided by any law
4 of this state, the United States, or any other state to any person except as provided in
5 subsection 4 of this section, shall be subject to tax pursuant to the provisions of this chapter,
6 in the same manner, to the same extent and under the same conditions as any other taxable
7 income received by the person receiving it. For purposes of this section, "annuity, pension,

8 retirement benefit, or retirement allowance" shall be defined as an annuity, pension or
9 retirement allowance provided by the United States, this state, any other state or any political
10 subdivision or agency or institution of this or any other state. For all tax years beginning on
11 or after January 1, 1998, for purposes of this section, annuity, pension or retirement allowance
12 shall be defined to include 401(k) plans, deferred compensation plans, self-employed
13 retirement plans, also known as Keogh plans, annuities from a defined pension plan and
14 individual retirement arrangements, also known as IRAs, as described in the Internal Revenue
15 Code, but not including Roth IRAs, as well as an annuity, pension or retirement allowance
16 provided by the United States, this state, any other state or any political subdivision or agency
17 or institution of this or any other state. An individual taxpayer shall only be allowed a
18 maximum deduction equal to the amounts provided under this section for each taxpayer on
19 the combined return.

20 2. For the period beginning July 1, 1989, and ending December 31, 1989, there shall
21 be subtracted from Missouri adjusted gross income for that period, determined pursuant to
22 section 143.121, the first three thousand dollars of retirement benefits received by each
23 taxpayer:

24 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er)
25 and the taxpayer's Missouri adjusted gross income is less than twelve thousand five hundred
26 dollars; or

27 (2) If the taxpayer's filing status is married filing combined and their combined
28 Missouri adjusted gross income is less than sixteen thousand dollars; or

29 (3) If the taxpayer's filing status is married filing separately and the taxpayer's
30 Missouri adjusted gross income is less than eight thousand dollars.

31 3. For the tax years beginning on or after January 1, 1990, but ending on or before
32 December 31, 2006, there shall be subtracted from Missouri adjusted gross income,
33 determined pursuant to section 143.121, a maximum of the first six thousand dollars of
34 retirement benefits received by each taxpayer from sources other than privately funded
35 sources, and for tax years beginning on or after January 1, 1998, there shall be subtracted
36 from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of
37 the first one thousand dollars of any retirement allowance received from any privately funded
38 source for tax years beginning on or after January 1, 1998, but before January 1, 1999, and a
39 maximum of the first three thousand dollars of any retirement allowance received from any
40 privately funded source for tax years beginning on or after January 1, 1999, but before
41 January 1, 2000, and a maximum of the first four thousand dollars of any retirement
42 allowance received from any privately funded source for tax years beginning on or after
43 January 1, 2000, but before January 1, 2001, and a maximum of the first five thousand dollars
44 of any retirement allowance received from any privately funded source for tax years

45 beginning on or after January 1, 2001, but before January 1, 2002, and a maximum of the first
46 six thousand dollars of any retirement allowance received from any privately funded sources
47 for tax years beginning on or after January 1, 2002, **but before January 1, 2025, and a**
48 **maximum of the first twelve thousand dollars of any retirement allowance received from**
49 **any privately funded sources for tax years beginning on or after January 1, 2025.** A
50 taxpayer shall be entitled to the maximum exemption provided by this subsection:

51 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er)
52 and the taxpayer's Missouri adjusted gross income is less than ~~[twenty-five]~~ **fifty** thousand
53 dollars; or

54 (2) If the taxpayer's filing status is married filing combined and their combined
55 Missouri adjusted gross income is less than ~~[thirty-two]~~ **sixty-four** thousand dollars; or

56 (3) If the taxpayer's filing status is married filing separately and the taxpayer's
57 Missouri adjusted gross income is less than ~~[sixteen]~~ **thirty-two** thousand **six hundred**
58 dollars.

59 4. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for
60 such taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection 3 of this
61 section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the
62 maximum exemption provided in subsection 3 of this section reduced by one dollar for every
63 dollar such taxpayer's income exceeds the ceiling for his or her filing status.

64 5. For purposes of this subsection, the term "maximum Social Security benefit
65 available" shall mean thirty-two thousand five hundred dollars for the tax year beginning on
66 or after January 1, 2007, and for each subsequent tax year such amount shall be increased by
67 the percentage increase in the Consumer Price Index for All Urban Consumers, or its
68 successor index, as such index is defined and officially reported by the United States
69 Department of Labor, or its successor agency. For the tax year beginning on or after January
70 1, 2007, but ending on or before December 31, 2007, there shall be subtracted from Missouri
71 adjusted gross income, determined pursuant to section 143.121, a maximum of an amount
72 equal to the greater of: six thousand dollars in retirement benefits received from sources other
73 than privately funded sources, to the extent such benefits are included in the taxpayer's federal
74 adjusted gross income; or twenty percent of the retirement benefits received from sources
75 other than privately funded sources in the tax year, but not to exceed the maximum Social
76 Security benefit available for such tax year. For the tax year beginning on or after January 1,
77 2008, but ending on or before December 31, 2008, there shall be subtracted from Missouri
78 adjusted gross income, determined pursuant to section 143.121, a maximum of an amount
79 equal to the greater of: six thousand dollars in retirement benefits received from sources other
80 than privately funded sources, to the extent such benefits are included in the taxpayer's federal
81 adjusted gross income; or thirty-five percent of the retirement benefits received from sources

82 other than privately funded sources in the tax year, but not to exceed the maximum Social
83 Security benefit available for such tax year. For the tax year beginning on or after January 1,
84 2009, but ending on or before December 31, 2009, there shall be subtracted from Missouri
85 adjusted gross income, determined pursuant to section 143.121, a maximum of an amount
86 equal to the greater of: six thousand dollars in retirement benefits received from sources other
87 than privately funded sources, to the extent such benefits are included in the taxpayer's federal
88 adjusted gross income; or fifty percent of the retirement benefits received from sources other
89 than privately funded sources in the tax year, but not to exceed the maximum Social Security
90 benefit available for such tax year. For the tax year beginning on or after January 1, 2010, but
91 ending on or before December 31, 2010, there shall be subtracted from Missouri adjusted
92 gross income, determined pursuant to section 143.121, a maximum of an amount equal to the
93 greater of: six thousand dollars in retirement benefits received from sources other than
94 privately funded sources, to the extent such benefits are included in the taxpayer's federal
95 adjusted gross income; or sixty-five percent of the retirement benefits received from sources
96 other than privately funded sources in the tax year, but not to exceed the maximum Social
97 Security benefit available for such tax year. For the tax year beginning on or after January 1,
98 2011, but ending on or before December 31, 2011, there shall be subtracted from Missouri
99 adjusted gross income, determined pursuant to section 143.121, a maximum of an amount
100 equal to the greater of: six thousand dollars in retirement benefits received from sources other
101 than privately funded sources, to the extent such benefits are included in the taxpayer's federal
102 adjusted gross income; or eighty percent of the retirement benefits received from sources
103 other than privately funded sources in the tax year, but not to exceed the maximum Social
104 Security benefit available for such tax year. For all tax years beginning on or after January 1,
105 2012, there shall be subtracted from Missouri adjusted gross income, determined pursuant to
106 section 143.121, a maximum of an amount equal to one hundred percent of the retirement
107 benefits received from sources other than privately funded sources in the tax year, but not to
108 exceed the maximum Social Security benefit available for such tax year. For all tax years
109 beginning on or before December 31, 2023, a taxpayer shall be entitled to the maximum
110 exemption provided by this subsection:

111 (1) If the taxpayer's filing status is married filing combined, and their combined
112 Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

113 (2) If the taxpayer's filing status is single, head of household, qualifying widow(er),
114 or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or
115 less than eighty-five thousand dollars.

116

117 For all tax years beginning on or after January 1, 2024, a taxpayer shall be entitled to the
118 maximum exemption provided by this subsection regardless of the taxpayer's filing status or
119 the amount of the taxpayer's Missouri adjusted gross income.

120 6. For all tax years beginning on or before December 31, 2023, if a taxpayer's
121 adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing
122 status, as provided in subdivisions (1) and (2) of subsection 5 of this section, such taxpayer
123 shall be entitled to an exemption, less any applicable reduction provided under subsection 7
124 of this section, equal to the greater of zero or the maximum exemption provided in subsection
125 5 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the
126 ceiling for his or her filing status.

127 7. For purposes of calculating the subtraction provided in subsection 5 of this section,
128 such subtraction shall be decreased by an amount equal to any Social Security benefit
129 exemption provided under section 143.125.

130 8. For purposes of this section, any Social Security benefits otherwise included in
131 Missouri adjusted gross income shall be subtracted; but Social Security benefits shall not be
132 subtracted for purposes of other computations pursuant to this chapter, and are not to be
133 considered as retirement benefits for purposes of this section.

134 9. The provisions of subdivisions (1) and (2) of subsection 3 of this section shall
135 apply during all tax years in which the federal Internal Revenue Code provides exemption
136 levels for calculation of the taxability of Social Security benefits that are the same as the
137 levels in subdivisions (1) and (2) of subsection 3 of this section. If the exemption levels for
138 the calculation of the taxability of Social Security benefits are adjusted by applicable federal
139 law or regulation, the exemption levels in subdivisions (1) and (2) of subsection 3 of this
140 section shall be accordingly adjusted to the same exemption levels.

141 10. The portion of a taxpayer's lump sum distribution from an annuity or other
142 retirement plan not otherwise included in Missouri adjusted gross income as calculated
143 pursuant to this chapter but subject to taxation under Internal Revenue Code Section 402 shall
144 be taxed in an amount equal to ten percent of the taxpayer's federal liability on such
145 distribution for the same tax year.

146 11. For purposes of this section, retirement benefits received shall not include any
147 withdrawals from qualified retirement plans which are subsequently rolled over into another
148 retirement plan.

149 12. The exemptions provided for in this section shall not affect the calculation of the
150 income to be used to determine the property tax credit provided in sections 135.010 to
151 135.035.

152 13. The exemptions provided for in this section shall apply to any annuity, pension, or
153 retirement allowance as defined in subsection 1 of this section to the extent that such amounts

154 are included in the taxpayer's federal adjusted gross income and not otherwise deducted from
155 the taxpayer's federal adjusted gross income in the calculation of Missouri taxable income.
156 This subsection shall not apply to any individual who qualifies under federal guidelines to be
157 one hundred percent disabled.

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

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

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

11

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

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

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

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

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

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

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

69 provided further that if the person so nominated dies before the retired member, the retirement
70 allowance shall be increased to the amount the retired member would be receiving had the
71 member elected option 1; or

72

Option 5.

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

85

Option 6.

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

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

101 (a) If the member or a person retired on disability retirement dies after acquiring
102 twenty-five or more years of creditable service or after attaining the age of fifty-five years and
103 acquiring five or more years of creditable service and before retirement, except retirement
104 with disability benefits, and the person named by the member as the member's beneficiary has
105 an insurable interest in the life of the deceased member, the designated beneficiary may elect

106 to receive either survivorship benefits under option 2 or a payment of the accumulated
107 contributions of the member. If survivorship benefits under option 2 are elected and the
108 member at the time of death would have been eligible to receive an actuarial equivalent of the
109 member's retirement allowance, the designated beneficiary may further elect to defer the
110 option 2 payments until the date the member would have been eligible to receive the
111 retirement allowance provided in subsection 1 or 2 of this section;

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

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

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

140 6. If a member dies before receiving a retirement allowance, the member's
141 accumulated contributions at the time of the death of the member shall be paid to the
142 beneficiary of the member or, if there is no beneficiary, to the surviving spouse, surviving

143 children in equal shares, surviving parents in equal shares, or to the estate of the member, in
144 that order of precedence; except that, no such payment shall be made if the beneficiary elects
145 option 2 in subsection 3 of this section, unless the beneficiary dies before having received
146 benefits pursuant to that subsection equal to the accumulated contributions of the member, in
147 which case the amount of accumulated contributions in excess of the total benefits paid
148 pursuant to that subsection shall be paid to the surviving spouse, surviving children in equal
149 shares, surviving parents in equal shares, or estate of the beneficiary, in that order of
150 precedence.

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

155 8. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, if a
156 member ceases to be a public school employee after acquiring five or more years of
157 membership service in Missouri, the member may at the option of the member leave the
158 member's contributions with the retirement system and claim a retirement allowance any time
159 after reaching the minimum age for voluntary retirement. When the member's claim is
160 presented to the board, the member shall be granted an allowance as provided in sections
161 169.010 to 169.141 on the basis of the member's age, years of service, and the provisions of
162 the law in effect at the time the member requests the member's retirement to become
163 effective.

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

172 10. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary,
173 from October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be
174 multiplied by the factor of two-thirds for any member of the system for whom federal Old
175 Age and Survivors Insurance tax is paid from state or local tax funds on account of the
176 member's employment entitling the person to membership in the system. The monetary
177 benefits for a member who elected not to exercise an option to pay into the system a
178 retroactive contribution of four percent on that part of the member's annual salary rate which
179 was in excess of four thousand eight hundred dollars but not in excess of eight thousand four

180 hundred dollars for each year of employment in a position covered by this system between
181 July 1, 1957, and July 1, 1961, as provided in subsection 10 of this section as it appears in
182 RSMo, 1969, shall be the sum of:

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

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

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

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

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

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

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

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

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

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

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

235 14. The board of trustees may reduce the amounts which have been granted as
236 increases to a member pursuant to subsection 13 of this section if the cost of living, as
237 determined by the board and as measured by generally accepted standards, is less than the
238 cost of living was at the time of the first increase granted to the member; except that, the
239 reductions shall not exceed the amount of increases which have been made to the member's
240 allowance after December 31, 1976.

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

244 16. Notwithstanding any other provision of law, any person retired prior to September
245 28, 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of
246 subsection 3 of this section, as such option existed prior to September 28, 1983, and whose
247 beneficiary nominated to receive continued retirement allowance payments under the elected
248 option dies or has died, shall upon application to the board of trustees have his or her
249 retirement allowance increased to the amount he or she would have been receiving had the
250 option not been elected, actuarially adjusted to recognize any excessive benefits which would
251 have been paid to him or her up to the time of application.

252 17. Benefits paid pursuant to the provisions of the public school retirement system of
253 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code

254 except as provided pursuant to this subsection. Notwithstanding any other law to the
255 contrary, the board of trustees may establish a benefit plan pursuant to Section 415(m) of Title
256 26 of the United States Code. Such plan shall be created solely for the purpose described in
257 Section 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may
258 promulgate regulations necessary to implement the provisions of this subsection and to create
259 and administer such benefit plan.

260 18. Notwithstanding any other provision of law to the contrary, any person retired
261 before, on, or after May 26, 1994, shall be made, constituted, appointed and employed by the
262 board as a special consultant on the matters of education, retirement and aging, and upon
263 request shall give written or oral opinions to the board in response to such requests. As
264 compensation for such duties the person shall receive an amount based on the person's years
265 of service so that the total amount received pursuant to sections 169.010 to 169.141 shall be at
266 least the minimum amounts specified in subdivisions (1) to (4) of this subsection. In
267 determining the minimum amount to be received, the amounts in subdivisions (3) and (4) of
268 this subsection shall be adjusted in accordance with the actuarial adjustment, if any, that was
269 applied to the person's retirement allowance. In determining the minimum amount to be
270 received, beginning September 1, 1996, the amounts in subdivisions (1) and (2) of this
271 subsection shall be adjusted in accordance with the actuarial adjustment, if any, that was
272 applied to the person's retirement allowance due to election of an optional form of retirement
273 having a continued monthly payment after the person's death. Notwithstanding any other
274 provision of law to the contrary, no person retired before, on, or after May 26, 1994, and no
275 beneficiary of such a person, shall receive a retirement benefit pursuant to sections 169.010 to
276 169.141 based on the person's years of service less than the following amounts:

- 277 (1) Thirty or more years of service, one thousand two hundred dollars;
278 (2) At least twenty-five years but less than thirty years, one thousand dollars;
279 (3) At least twenty years but less than twenty-five years, eight hundred dollars;
280 (4) At least fifteen years but less than twenty years, six hundred dollars.

281 19. Notwithstanding any other provisions of law to the contrary, any person retired
282 prior to May 26, 1994, and any designated beneficiary of such a retired member who was
283 deceased prior to July 1, 1999, shall be made, constituted, appointed and employed by the
284 board as a special consultant on the matters of education, retirement or aging and upon
285 request shall give written or oral opinions to the board in response to such requests.
286 Beginning September 1, 1996, as compensation for such service, the member shall have
287 added, pursuant to this subsection, to the member's monthly annuity as provided by this
288 section a dollar amount equal to the lesser of sixty dollars or the product of two dollars
289 multiplied by the member's number of years of creditable service. Beginning September 1,
290 1999, the designated beneficiary of the deceased member shall as compensation for such

291 service have added, pursuant to this subsection, to the monthly annuity as provided by this
292 section a dollar amount equal to the lesser of sixty dollars or the product of two dollars
293 multiplied by the member's number of years of creditable service. The total compensation
294 provided by this section including the compensation provided by this subsection shall be used
295 in calculating any future cost-of-living adjustments provided by subsection 13 of this section.

296 20. Any member who has retired prior to July 1, 1998, and the designated beneficiary
297 of a deceased retired member shall be made, constituted, appointed and employed by the
298 board as a special consultant on the matters of education, retirement and aging, and upon
299 request shall give written or oral opinions to the board in response to such requests. As
300 compensation for such duties the person shall receive a payment equivalent to eight and
301 seven-tenths percent of the previous month's benefit, which shall be added to the member's or
302 beneficiary's monthly annuity and which shall not be subject to the provisions of subsections
303 13 and 14 of this section for the purposes of the limit on the total amount of increases which
304 may be received.

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

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

319 23. Any member who has retired prior to July 1, 2000, and the designated beneficiary
320 of a deceased retired member shall be made, constituted, appointed and employed by the
321 board as a special consultant on the matters of education, retirement and aging, and upon
322 request shall give written or oral opinions to the board in response to such requests. As
323 compensation for such duties, the person shall receive a payment equivalent to three and five-
324 tenths percent of the previous month's benefit, which shall be added to the member or
325 beneficiary's monthly annuity and which shall not be subject to the provisions of subsections
326 13 and 14 of this section for the purposes of the limit on the total amount of increases which
327 may be received.

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

169.560. 1. Any person retired and currently receiving a retirement allowance
2 pursuant to sections 169.010 to 169.141 [~~other than for disability,~~] may be employed in any
3 capacity for an employer included in the retirement system created by those sections on either
4 a part-time or temporary-substitute basis not to exceed a total of five hundred fifty hours in
5 any one school year, and through such employment may earn up to fifty percent of the annual
6 compensation payable under the employer's salary schedule for the position or positions filled
7 by the retiree, given such person's level of experience and education, without a
8 discontinuance of the person's retirement allowance. If the employer does not utilize a
9 salary schedule, or if the position in question is not subject to the employer's salary schedule,
10 a retiree employed in accordance with the provisions of this subsection may earn up to fifty
11 percent of the annual compensation paid to the person or persons who last held such position
12 or positions, **or may earn up to fifty percent of the limit set for the position by the school**
13 **board of the employer which has been submitted and approved by the board of trustees**
14 **of the retirement system.** If the position or positions did not previously exist, the
15 compensation limit shall be determined in accordance with rules duly adopted by the board of
16 trustees of the retirement system; provided that, it shall not exceed fifty percent of the annual
17 compensation payable for the position by the employer that is most comparable to the
18 position filled by the retiree. In any case where a retiree fills more than one position during
19 the school year, the fifty-percent limit on permitted earning shall be based solely on the
20 annual compensation of the highest paid position occupied by the retiree for at least one-fifth
21 of the total hours worked during the year. Such a person shall not contribute to the retirement
22 system or to the public education employee retirement system established by sections 169.600
23 to 169.715 because of earnings during such period of employment. If such a person is
24 employed in any capacity by such an employer in excess of the limitations set forth in this
25 subsection, the person shall not be eligible to receive the person's retirement allowance for
26 any month during which the person is so employed **or the retirement system shall recover**
27 **the amount the person earned in excess of the limitations, whichever is less.** In addition,
28 such person shall contribute to the retirement system if the person satisfies the retirement

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

41 2. Notwithstanding any other provision of this section, any person retired and
42 currently receiving a retirement allowance in accordance with sections 169.010 to 169.141 [~~;~~
43 ~~other than for disability,~~] may be employed by an employer included in the retirement system
44 created by those sections in a position that does not normally require a person employed in
45 that position to be duly certificated under the laws governing the certification of teachers in
46 Missouri, and through such employment may earn, beginning on August 28, 2023, and ending
47 on June 30, 2028, up to one hundred thirty-three percent of the annual earnings exemption
48 amount applicable to a Social Security recipient before the calendar year of attainment of full
49 retirement age under 20 CFR 404.430, and, after June 30, 2028, up to the annual earnings
50 exemption amount applicable to a Social Security recipient before the calendar year of
51 attainment of full retirement age under 20 CFR 404.430, without a discontinuance of the
52 person's retirement allowance from the retirement system. The Social Security annual
53 earnings exemption amount applied shall be the exemption amount in effect for the calendar
54 year in which the school year begins. Such person shall not contribute to the retirement
55 system or to the public education employee retirement system established by sections 169.600
56 to 169.715 because of earnings during such period of employment, and such person shall not
57 earn membership service for such employment. The employer's contribution rate shall be
58 paid by the hiring employer into the public education employee retirement system established
59 by sections 169.600 to 169.715. If such a person is employed in any capacity by an employer
60 in excess of the limitations set forth in this subsection, the person shall not be eligible to
61 receive the person's retirement allowance for any month during which the person is so
62 employed **or the retirement system shall recover the amount the person earned in excess**
63 **of the limitations, whichever is less.** In addition, such person shall become a member of and
64 contribute to any retirement system described in this subsection if the person satisfies the
65 retirement system's membership eligibility requirements. The provisions of this subsection

66 shall not apply to any person retired and currently receiving a retirement allowance in
67 accordance with sections 169.010 to 169.141 employed by a public community college or
68 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
2 member who is sixty or more years of age and who has at least five years of creditable
3 service, or who has attained age fifty-five and has at least twenty-five years of creditable
4 service, or who has at least thirty years of creditable service regardless of age may retire and
5 receive the full retirement benefits based on the member's creditable service. A member
6 whose creditable service at retirement is less than five years shall not be entitled to a
7 retirement allowance but shall be entitled to receive the member's contributions.

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

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

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