

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Committee Substitute for Senate Bill No. 224, Page 4, Section 160.545, Line 118,
2 by inserting immediately after said line the following:

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

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

12 (2) Six-tenths of the amount payable for a year of membership service for each year of prior
13 service not exceeding thirty years. In lieu of the retirement allowance otherwise provided in
14 subdivisions (1) and (2) of this subsection, a member may elect to receive a retirement allowance of:

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

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

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

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

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

30 (8) [Between July 1, 2001, and July 1, 2014,] Two and fifty-five hundredths percent of the
31 member's final average salary for each year of membership service, if the member's creditable

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1 service is thirty-one years or more regardless of age.

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

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

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

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

11 3. (1) In lieu of the retirement allowance provided either in subsection 1 or 2 of this section,
12 collectively called "option 1", a member whose creditable service is twenty-five years or more or
13 who has attained the age of fifty-five with five or more years of creditable service may elect in the
14 member's application for retirement to receive the actuarial equivalent of the member's retirement
15 allowance in reduced monthly payments for life during retirement with the provision that:

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

21 OR

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

28 OR

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

34 OR

35 Option 5. Upon the death of the member prior to the member having received one hundred
36 twenty monthly payments of the member's reduced allowance, the remainder of the one hundred
37 twenty monthly payments of the reduced allowance shall be paid to such beneficiary as the member
38 shall have nominated in the member's election of the option or in a subsequent nomination. If there is
39 no beneficiary so nominated who survives the member for the remainder of the one hundred twenty
40 monthly payments, the total of the remainder of such one hundred twenty monthly payments shall be
41 paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or

1 estate of the last person, in that order of precedence, to receive a monthly allowance in a lump sum
2 payment. If the total of the one hundred twenty payments paid to the retired individual and the
3 beneficiary of the retired individual is less than the total of the member's accumulated contributions,
4 the difference shall be paid to the beneficiary in a lump sum;

5 OR

6 Option 6. Upon the death of the member prior to the member having received sixty monthly
7 payments of the member's reduced allowance, the remainder of the sixty monthly payments of the
8 reduced allowance shall be paid to such beneficiary as the member shall have nominated in the
9 member's election of the option or in a subsequent nomination. If there is no beneficiary so
10 nominated who survives the member for the remainder of the sixty monthly payments, the total of
11 the remainder of such sixty monthly payments shall be paid to the surviving spouse, surviving
12 children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of
13 precedence, to receive a monthly allowance in a lump sum payment. If the total of the sixty
14 payments paid to the retired individual and the beneficiary of the retired individual is less than the
15 total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a
16 lump sum.

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

21 (a) If the member or a person retired on disability retirement dies after acquiring twenty-five
22 or more years of creditable service or after attaining the age of fifty-five years and acquiring five or
23 more years of creditable service and before retirement, except retirement with disability benefits, and
24 the person named by the member as the member's beneficiary has an insurable interest in the life of
25 the deceased member, the designated beneficiary may elect to receive either survivorship benefits
26 under option 2 or a payment of the accumulated contributions of the member. If survivorship
27 benefits under option 2 are elected and the member at the time of death would have been eligible to
28 receive an actuarial equivalent of the member's retirement allowance, the designated beneficiary may
29 further elect to defer the option 2 payments until the date the member would have been eligible to
30 receive the retirement allowance provided in subsection 1 or 2 of this section;

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

39 4. If the total of the retirement or disability allowance paid to an individual before the death
40 of the individual is less than the accumulated contributions at the time of retirement, the difference
41 shall be paid to the beneficiary of the individual, or to the surviving spouse, surviving children in

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

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

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

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

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

37 9. The retirement allowance of a member retired because of disability shall be nine-tenths of
38 the allowance to which the member's creditable service would entitle the member if the member's
39 age were sixty, or fifty percent of one-twelfth of the annual salary rate used in determining the
40 member's contributions during the last school year for which the member received a year of
41 creditable service immediately prior to the member's disability, whichever is greater, except that no

1 such allowance shall exceed the retirement allowance to which the member would have been entitled
2 upon retirement at age sixty if the member had continued to teach from the date of disability until
3 age sixty at the same salary rate.

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

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

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

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

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

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

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

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

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

35 12. Any retired member of the system who was retired prior to September 1, 1972, or
36 beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such
37 option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement
38 allowance of the member of two percent for each year, or major fraction of more than one-half of a
39 year, which the retired member has been retired prior to July 1, 1975. This increased amount shall
40 be payable commencing with January, 1976, and shall thereafter be referred to as the member's
41 retirement allowance. The increase provided for in this subsection shall not affect the retired

1 member's eligibility for compensation provided for in section 169.580 or 169.585, nor shall the
2 amount being paid pursuant to these sections be reduced because of any increases provided for in this
3 section.

4 13. If the board of trustees determines that the cost of living, as measured by generally
5 accepted standards, increases two percent or more in the preceding fiscal year, the board shall
6 increase the retirement allowances which the retired members or beneficiaries are receiving by two
7 percent of the amount being received by the retired member or the beneficiary at the time the annual
8 increase is granted by the board with the provision that the increases provided for in this subsection
9 shall not become effective until the fourth January first following the member's retirement or January
10 1, 1977, whichever later occurs, or in the case of any member retiring on or after July 1, 2000, the
11 increase provided for in this subsection shall not become effective until the third January first
12 following the member's retirement, or in the case of any member retiring on or after July 1, 2001, the
13 increase provided for in this subsection shall not become effective until the second January first
14 following the member's retirement. Commencing with January 1, 1992, if the board of trustees
15 determines that the cost of living has increased five percent or more in the preceding fiscal year, the
16 board shall increase the retirement allowances by five percent. The total of the increases granted to a
17 retired member or the beneficiary after December 31, 1976, may not exceed eighty percent of the
18 retirement allowance established at retirement or as previously adjusted by other subsections. If the
19 cost of living increases less than five percent, the board of trustees may determine the percentage of
20 increase to be made in retirement allowances, but at no time can the increase exceed five percent per
21 year. If the cost of living decreases in a fiscal year, there will be no increase in allowances for retired
22 members on the following January first.

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

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

31 16. Notwithstanding any other provision of law, any person retired prior to September 28,
32 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of subsection 3 of
33 this section, as such option existed prior to September 28, 1983, and whose beneficiary nominated to
34 receive continued retirement allowance payments under the elected option dies or has died, shall
35 upon application to the board of trustees have his or her retirement allowance increased to the
36 amount he or she would have been receiving had the option not been elected, actuarially adjusted to
37 recognize any excessive benefits which would have been paid to him or her up to the time of
38 application.

39 17. Benefits paid pursuant to the provisions of the public school retirement system of
40 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code except
41 as provided pursuant to this subsection. Notwithstanding any other law to the contrary, the board of

1 trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the United States
2 Code. Such plan shall be created solely for the purpose described in Section 415(m)(3)(A) of Title
3 26 of the United States Code. The board of trustees may promulgate regulations necessary to
4 implement the provisions of this subsection and to create and administer such benefit plan.

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

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

25 19. Notwithstanding any other provisions of law to the contrary, any person retired prior to
26 May 26, 1994, and any designated beneficiary of such a retired member who was deceased prior to
27 July 1, 1999, shall be made, constituted, appointed and employed by the board as a special consultant
28 on the matters of education, retirement or aging and upon request shall give written or oral opinions
29 to the board in response to such requests. Beginning September 1, 1996, as compensation for such
30 service, the member shall have added, pursuant to this subsection, to the member's monthly annuity
31 as provided by this section a dollar amount equal to the lesser of sixty dollars or the product of two
32 dollars multiplied by the member's number of years of creditable service. Beginning September 1,
33 1999, the designated beneficiary of the deceased member shall as compensation for such service
34 have added, pursuant to this subsection, to the monthly annuity as provided by this section a dollar
35 amount equal to the lesser of sixty dollars or the product of two dollars multiplied by the member's
36 number of years of creditable service. The total compensation provided by this section including the
37 compensation provided by this subsection shall be used in calculating any future cost-of-living
38 adjustments provided by subsection 13 of this section.

39 20. Any member who has retired prior to July 1, 1998, and the designated beneficiary of a
40 deceased retired member shall be made, constituted, appointed and employed by the board as a
41 special consultant on the matters of education, retirement and aging, and upon request shall give

1 written or oral opinions to the board in response to such requests. As compensation for such duties
2 the person shall receive a payment equivalent to eight and seven-tenths percent of the previous
3 month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which
4 shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes of the
5 limit on the total amount of increases which may be received.

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

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

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

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

36 Section B. Because of the importance of providing an additional retirement allowance option
37 to Missouri teachers, section 160.070 of this act is deemed necessary for the immediate preservation
38 of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within
39 the meaning of the constitution, and section 160.070 of this act shall be in full force and effect upon
40 its passage and approval.

41

1 Further amend said bill by amending the title, enacting clause, and intersectional references
2 accordingly.
3