

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 639, Page 9, Section 70.621, Line 24, by
2 inserting after all of said section and line the following:

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

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1 member's final average salary for each year of membership service, if the member's creditable
2 service is thirty-one years or more regardless of age.

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

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

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

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

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

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

24 OR

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

31 OR

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

38 OR

39 Option 5. Upon the death of the member prior to the member having received one hundred
40 twenty monthly payments of the member's reduced allowance, the remainder of the one hundred
41 twenty monthly payments of the reduced allowance shall be paid to such beneficiary as the member

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

9 OR

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

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

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

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

1 provided in subsection 1 or 2 of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 12. Any retired member of the system who was retired prior to September 1, 1972, or
41 beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such

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

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

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

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

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

1 recognize any excessive benefits which would have been paid to him or her up to the time of
2 application.

3 17. Benefits paid pursuant to the provisions of the public school retirement system of
4 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code except
5 as provided pursuant to this subsection. Notwithstanding any other law to the contrary, the board of
6 trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the United States
7 Code. Such plan shall be created solely for the purpose described in Section 415(m)(3)(A) of Title
8 26 of the United States Code. The board of trustees may promulgate regulations necessary to
9 implement the provisions of this subsection and to create and administer such benefit plan.

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

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

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

1 provided by this section including the compensation provided by this subsection shall be used in
2 calculating any future cost-of-living adjustments provided by subsection 13 of this section.

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

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

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

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

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

41 Section B. Because of the importance of providing an additional retirement allowance

1 option to Missouri teachers, section 169.070 of this act is deemed necessary for the immediate
2 preservation of the public health, welfare, peace and safety, and is hereby declared to be an
3 emergency act within the meaning of the constitution, and section 169.070 of this act shall be in full
4 force and effect upon its passage and approval."; and
5
6 Further amend said bill by amending the title, enacting clause, and intersectional references
7 accordingly.