

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 2431

102ND GENERAL ASSEMBLY

4391S.03C

KRISTINA MARTIN, Secretary

AN ACT

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

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

Section A. Sections 70.605, 70.630, 70.655, 70.680,
2 70.690, 70.745, 70.746, 70.747, 86.200, 105.688, 169.070,
3 169.560, and 169.660, RSMo, are repealed and fourteen new
4 sections enacted in lieu thereof, to be known as sections
5 70.605, 70.630, 70.655, 70.680, 70.690, 70.745, 70.746, 70.747,
6 70.748, 86.200, 105.688, 169.070, 169.560, and 169.660, to read
7 as follows:

70.605. 1. For the purpose of providing for the
2 retirement or pensioning of the officers and employees and
3 the widows and children of deceased officers and employees
4 of any political subdivision of the state, there is hereby
5 created and established a retirement system which shall be a
6 body corporate, which shall be under the management of a
7 board of trustees herein described, and shall be known as
8 the "Missouri Local Government Employees' Retirement
9 System". Such system may sue and be sued, transact
10 business, invest funds, and hold cash, securities, and other
11 property. All suits or proceedings directly or indirectly

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

12 against the system shall be brought in Cole County. The
13 system shall begin operations on the first day of the
14 calendar month next following sixty days after the date the
15 board of trustees has received certification from ten
16 political subdivisions that they have elected to become
17 employers.

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

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

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

40 (2) Three persons who are employees of political
41 subdivisions and who would, if the subdivision by which they
42 are employed becomes an employer, be eligible as members,

43 one for a term of three years, one for a term of two years,
44 and one for a term of one year; and

45 (3) That person appointed by the governor under the
46 provisions of subsection 2 of this section. All the members
47 of the first board shall take office as soon as appointed by
48 the governor, but their terms shall be computed from the
49 first day of January next following their appointment, and
50 only one member may be from any political subdivision or be
51 a policeman or fireman].

52 4. Successor trustees elected or appointed as member
53 trustees shall be members of the retirement system;
54 provided, that not more than one [member] trustee shall be
55 employed by any one employer, and not more than one [member]
56 trustee shall be a policeman, and not more than one [member]
57 trustee shall be a fireman, **and not more than one trustee**
58 **shall be public safety personnel as described in section**
59 **70.631.**

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

71 6. [An annual meeting of the retirement system shall
72 be called by the board in the last calendar quarter of each
73 year in Jefferson City, or at such place as the board shall
74 determine, for the purpose of electing trustees and to

75 transact such other business as may be required for the
76 proper operation of the system. Notice of such meeting
77 shall be sent by registered mail to the clerk or secretary
78 of each employer not less than thirty days prior to the date
79 of such meeting. The governing body of each employer shall
80 certify to the board the name of one delegate who shall be
81 an officer of the employer, and the members of the employer
82 shall certify to the board a member of the employer to
83 represent such employer at such meeting. The delegate
84 certified as member delegate shall be elected by secret
85 ballot by the members of such employer, and the clerk or
86 secretary of each employer shall be charged with the duty of
87 conducting such election in a manner which will permit each
88 member to vote in such election. Under such rules and
89 regulations as the board shall adopt, approved by the
90 delegates, the member delegates shall elect a member trustee
91 for each such position on the board to be filled, and the
92 officer delegates shall elect an employer trustee for each
93 such position on the board to be filled] **Successor trustees**
94 **elected as retiree trustees shall be retirants of the system**
95 **pursuant to sections 70.600 to 70.755.**

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

99 8. In the event any [member trustee ceases to be a
100 member of the retirement system, or any employer trustee
101 ceases to be an appointed or elected official of an
102 employer, or becomes a member of the retirement system, or
103 if the trustee appointed by the governor becomes a member of
104 the retirement system or an elected or appointed official of
105 a political subdivision] **trustee ceases to meet the**
106 **eligibility requirements pursuant to this section, or if any**

107 trustee fails to attend three consecutive meetings of the
108 board, unless in each case excused for cause by the
109 remaining trustees attending such meeting or meetings, he or
110 she shall be considered as having resigned from the board
111 and the board shall, by resolution, declare his or her
112 office of trustee vacated. If a vacancy occurs in the
113 office of trustee, the vacancy shall be filled for the
114 unexpired term in the same manner as the office was
115 previously filled; provided, however, that the remaining
116 trustees may fill employer and member trustee vacancies on
117 the board until the next [annual meeting] **election**.

118 [8.] 9. Each trustee shall be commissioned by the
119 governor, and before entering upon the duties of his office,
120 shall take and subscribe to an oath or affirmation to
121 support the Constitution of the United States, and of the
122 state of Missouri, and to demean himself faithfully in his
123 or her office. Such oath as subscribed to shall be filed in
124 the office of the secretary of state of this state.

125 [9.] 10. Each trustee shall be entitled to one vote in
126 the board of trustees. Four votes shall be necessary for a
127 decision by the trustees at any meeting of the board of
128 trustees. Four trustees[, of whom at least two shall be
129 member trustees and at least two shall be employer
130 trustees,] shall constitute a quorum at any meeting of the
131 board. Unless otherwise expressly provided herein, a
132 meeting need not be called or held to make any decision on a
133 matter before the board. Each member must be sent by the
134 executive secretary a copy of the matter to be decided with
135 full information from the files of the board. The
136 concurring decisions of four trustees may decide the issue
137 by signing a document declaring their decision and sending
138 the written instrument to the executive secretary, provided

139 that no other trustee shall send a dissenting decision to
140 the executive secretary within fifteen days after the
141 document and information was mailed to him or her. If any
142 trustee is not in agreement with the four trustees, the
143 matter is to be passed on at a regular board meeting or a
144 special meeting called for that purpose. The board shall
145 hold regular meetings at least once each quarter, the dates
146 of these meetings to be designated in the rules and
147 regulations adopted by the board. Other meetings as deemed
148 necessary may be called by the [chairman] **chairperson** or by
149 any four trustees acting jointly.

150 [10.] 11. The board of trustees shall elect one of
151 their number as [chairman] **chairperson**, and one of their
152 number as vice [chairman] **chairperson**, and shall employ an
153 executive secretary, not one of their number, who shall be
154 the executive officer of the board. Other employees of the
155 board shall be chosen only upon the recommendation of the
156 executive secretary.

157 [11.] 12. The board shall appoint an actuary or a firm
158 of actuaries as technical advisor to the board on matters
159 regarding the operation of the system on an actuarial
160 basis. The actuary or actuaries shall perform such duties
161 as are required of him or her under sections 70.600 to
162 70.755, and as are from time to time required by the board.

163 [12.] 13. The board may appoint an attorney-at-law or
164 firm of attorneys-at-law to be the legal advisor of the
165 board and to represent the board in all legal proceedings.

166 [13.] 14. The board may appoint an investment
167 counselor to be the investment advisor of the board.

168 [14.] 15. The board shall from time to time, after
169 receiving the advice of its actuary, adopt such mortality
170 and other tables of experience, and a rate or rates of

171 regular interest, as shall be necessary for the actuarial
172 requirements of the system, and shall require its executive
173 secretary to keep in convenient form such data as shall be
174 necessary for actuarial investigations of the experience of
175 the system, and such data as shall be necessary for the
176 annual actuarial valuations of the system.

177 [15.] 16. The board shall keep a record of its
178 proceedings, which shall be open to public inspection. It
179 shall prepare annually and render to each employer a report
180 showing the financial condition of the system as of the
181 preceding June thirtieth. The report shall contain, but
182 shall not be limited to, a financial balance sheet; a
183 statement of income and disbursements; a detailed statement
184 of investments acquired and disposed of during the year,
185 together with a detailed statement of the annual rates of
186 investment income from all assets and from each type of
187 investment; an actuarial balance sheet prepared by means of
188 the last valuation of the system, and such other data as the
189 board shall deem necessary or desirable for a proper
190 understanding of the condition of the system.

191 [16.] 17. The board of trustees shall, after
192 reasonable notice to all interested parties, conduct
193 administrative hearings to hear and decide questions arising
194 from the administration of sections 70.600 to 70.755;
195 except, that such hearings may be conducted by a hearing
196 officer who shall be appointed by the board. The hearing
197 officer shall preside at the hearing and hear all evidence
198 and rule on the admissibility of evidence. The hearing
199 officer shall make recommended findings of fact and may make
200 recommended conclusions of law to the board. All final
201 orders or determinations or other final actions by the board
202 shall be approved in writing by at least four members of the

203 board. Any board member approving in writing any final
204 order, determination or other final action, who did not
205 attend the hearing, shall do so only after certifying that
206 he or she reviewed all exhibits and read the entire
207 transcript of the hearing. Within thirty days after a
208 decision or order or final action of the board, any member,
209 retirant, beneficiary or political subdivision adversely
210 affected by that determination or order or final action may
211 take an appeal under the provisions of chapter 536.
212 Jurisdiction over any dispute regarding the interpretation
213 of sections 70.600 to 70.755 and the determinations required
214 thereunder shall lie in the circuit court of Cole County.

215 [17.] 18. The board shall arrange for adequate surety
216 bonds covering the executive secretary and any other
217 custodian of the funds or investments of the board. When
218 approved by the board, said bonds shall be deposited in the
219 office of the secretary of state.

220 [18.] 19. The board shall arrange for annual audits of
221 the records and accounts of the system by a certified public
222 accountant or by a firm of certified public accountants.

223 [19.] 20. The headquarters of the retirement system
224 shall be in Jefferson City.

225 [20.] 21. The board of trustees shall serve as
226 trustees without compensation for their services as such;
227 except that each trustee shall be paid for any necessary
228 expenses incurred in attending meetings of the board or in
229 the performance of other duties authorized by the board.

230 [21.] 22. Subject to the limitations of sections
231 70.600 to 70.755, the board shall formulate and adopt rules
232 and regulations for the government of its own proceedings
233 and for the administration of the retirement system.

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

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

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

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

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

26 (5) If his employing political subdivision has elected
27 to cover present and future firemen, all firemen who are in
28 the employ of a political subdivision the day preceding the
29 date such political subdivision covers firemen hereunder and
30 who continue in such employ as a fireman on and after such
31 date, and all persons who become employed by a political
32 subdivision as a fireman on or after the date the political

33 subdivision covers firemen hereunder shall become members of
34 the system.

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

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

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

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

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

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

15 (3) Benefit program LT-4. A member with credited
16 service covered by benefit program LT-4 shall receive an
17 allowance for life equal to one percent of the member's
18 final average salary multiplied by the number of years of

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

29 (4) Benefit program LT-5. A member with credited
30 service covered by benefit program LT-5 shall receive an
31 allowance for life equal to one and one-quarter percent of
32 the member's final average salary multiplied by the number
33 of years of such credited service. In addition, if such
34 member is retiring as provided in section 70.645 or section
35 70.650 or section 70.670, and if such member's age at
36 retirement is younger than age sixty-two, then such member
37 shall receive a temporary allowance equal to three-quarters
38 of one percent of the member's final average salary
39 multiplied by the number of years of such credited service.
40 Such temporary allowance shall terminate at the end of the
41 calendar month in which the earlier of the following events
42 occurs: such member's death; or the member's attainment of
43 age sixty-two;

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

49 (6) Benefit program L-7. A member with credited
50 service covered by benefit program L-7 shall receive an

51 allowance for life equal to one and one-half percent of the
52 member's final average salary multiplied by the number of
53 years of such credited service;

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

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

82 (9) Benefit program LT-5(65). A member with credited
83 service covered by benefit program LT-5(65) shall receive an
84 allowance for life equal to one and one-quarter percent of
85 the member's final average salary multiplied by the number
86 of years of such credited service. In addition, if such
87 member is retiring as provided in section 70.645 or section
88 70.650 or section 70.670, and if such member's age at
89 retirement is younger than age sixty-five, then such member
90 shall receive a temporary allowance equal to three-quarters
91 of one percent of the member's final average salary
92 multiplied by the number of years of such credited service.
93 Such temporary allowance shall terminate at the end of the
94 calendar month in which the earlier of the following events
95 occurs: such member's death; or the member's attainment of
96 age sixty-five;

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

111 (11) Benefit program L-9. A member with credited
112 service covered by benefit program L-9 shall receive an
113 allowance for life equal to one and six-tenths percent of

114 the member's final average salary multiplied by the number
115 of years of such credited service;

116 (12) Benefit program LT-10(65). A member with
117 credited service covered by benefit program LT-10(65) shall
118 receive an allowance for life equal to one and six-tenths
119 percent of the members' final average salary multiplied by
120 the number of years of such credited service. In addition,
121 if such member is retiring as provided in section 70.645 or
122 section 70.650 or section 70.670, and if such member's age
123 at retirement is younger than age sixty-five, then such
124 member shall receive a temporary allowance equal to four-
125 tenths of one percent of the member's final average salary
126 multiplied by the number of years of such credited service.
127 Such temporary allowance shall terminate at the end of the
128 calendar month in which the earlier of the following events
129 occurs: such member's death; or the member's attainment of
130 age sixty-five;

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

142 (14) Benefit program L-12. A member with credited
143 service covered by benefit program L-12 shall receive an
144 allowance for life equal to one and three-quarter percent of

145 the member's final average salary multiplied by the number
146 of years of such credited service;

147 (15) Benefit program LT-14(65). A member with
148 credited service covered by benefit program LT-14(65) shall
149 receive an allowance for life equal to one and three-quarter
150 percent of the member's final average salary multiplied by
151 the number of years of such credited service. In addition,
152 if such member is retiring as provided in section 70.645,
153 70.650, or 70.670, then such member shall receive a
154 temporary allowance equal to one-quarter of one percent of
155 the member's final average salary multiplied by the number
156 of years of such credited service. Such temporary allowance
157 shall terminate at the end of the calendar month in which
158 the earlier of the following events occurs: such member's
159 death or the member's attainment of age sixty-five.

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

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

168 4. Except as otherwise provided in this subsection,
169 each political subdivision, by majority vote of its
170 governing body, may elect from time to time to cover its
171 members, whose political subdivision employment is
172 concurrently covered by federal Social Security, under one
173 of the benefit programs provided for in this section. Each
174 political subdivision, by majority vote of its governing
175 body, may elect from time to time to cover its members,
176 whose political subdivision employment is not concurrently

177 covered by federal Social Security, under one of the benefit
178 programs provided for in this section. The clerk or
179 secretary of the political subdivision shall certify the
180 election of the benefit program to the board within ten days
181 after such vote. The effective date of the political
182 subdivision's benefit program is the first day of the
183 calendar month specified by such governing body, or the
184 first day of the calendar month next following receipt by
185 the board of the certification of election of benefit
186 program, or the effective date of the political subdivision
187 becoming an employer, whichever is the latest. Such
188 election of benefit program may be changed from time to time
189 by such vote, but not more often than biennially. If such
190 changed benefit program provides larger allowances than the
191 benefit program previously in effect, then such larger
192 benefit program shall be applicable to the past and future
193 employment with the employer by present and future
194 employees. If such changed benefit program provides smaller
195 allowances than the benefit program previously in effect,
196 then such changed benefit program shall be applicable only
197 to credited service for employment rendered from and after
198 the effective date of such change. After August 28, 1994,
199 political subdivisions shall not elect coverage under
200 benefit program LT-4, benefit program LT-5, or benefit
201 program LT-8. After August 28, 2005, political subdivisions
202 shall not elect coverage under benefit program L-9 or
203 benefit program LT-10(65).

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

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

213 7. Subject to the provisions of subsections **8 and 9**
214 **[and 10]** of this section, for an allowance becoming
215 effective on September 28, 1975, or later, and beginning
216 with the October first which is at least twelve full months
217 after the effective date of the allowance, the amount of the
218 allowance shall be redetermined effective each October first
219 and such redetermined amount shall be payable for the
220 ensuing year. Subject to the limitations stated in the next
221 sentence, such redetermined amount shall be the amount of
222 the allowance otherwise payable multiplied by the following
223 percent: one hundred percent, plus two percent for each
224 full year (excluding any fraction of a year) in the period
225 from the effective date of the allowance to the current
226 October first. In no event shall such redetermined amount
227 (1) be less than the amount of the allowance otherwise
228 payable nor (2) be more than the amount of the allowance
229 otherwise payable multiplied by the following fraction: the
230 numerator shall be the Consumer Price Index for the month of
231 June immediately preceding such October first (but in no
232 event an amount less than the denominator below) and the
233 denominator shall be the Consumer Price Index for the month
234 of June immediately preceding the effective date of the
235 allowance. As used herein, "Consumer Price Index" means **a**
236 **measure of** the Consumer Price Index **[for Urban Wage Earners**
237 **and Clerical Workers,]** as determined by the United States
238 Department of Labor and **adopted by the board of trustees [in**
239 **effect January 1, 1975; provided, should such Consumer Price**

240 Index be restructured subsequent to 1974 in a manner
241 materially changing its character, the board shall change
242 the application of the Consumer Price Index so that as far
243 as is practicable the 1975 intent of the use of the Consumer
244 Price Index shall be continued]. As used herein "the amount
245 of the allowance otherwise payable" means the amount of the
246 allowance which would be payable without regard to these
247 provisions redetermining allowance amounts after retirement.

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

255 9.] (1) The system establishes reserves for the
256 payment of future allowances to retirants and
257 beneficiaries. Should the board determine, after consulting
258 with the actuary, that the established reserves are more
259 than sufficient to provide such allowances, the board may
260 increase the annual increase rate provided for in
261 [subsections] **subsection 7 [and 8]** of this section, as it
262 applies to any allowance payable, but in no event shall the
263 total of all redetermined amounts as of October first of any
264 year be greater than one hundred four percent of the
265 allowances which would have been payable that October first
266 without such redeterminations; provided, as of any
267 redetermination date the same annual increase rate shall be
268 applied to all allowances with effective dates in the range
269 of November first to October first of the following year.
270 The board may extend the provisions of [subsections]
271 **subsection 7 [and 8]** of this section to allowances which

272 became effective before September 28, 1975; provided such an
273 action by the board shall not increase an employer
274 contribution rate then in effect;

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

282 [10.] 9. Should the board determine that the
283 provisions of subsections 7[, 8] and [9] 8 of this section
284 are jeopardizing the financial solvency of the system, the
285 board shall suspend these provisions redetermining allowance
286 amounts after retirement for such periods of time as the
287 board deems appropriate.

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

16 that such incapacity will probably be permanent and that
17 such member should be retired.

18 2. Upon disability retirement, as provided in
19 subsection 1 of this section, a member shall receive an
20 allowance for life provided for in section 70.655 and shall
21 have the right to elect an option provided for in section
22 70.660. His or her disability retirement and allowance
23 shall be subject to the provisions of subsection 5 of this
24 section [and to the provisions of section 70.685].

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

42 4. Upon disability retirement as provided in
43 subsection 3 of this section, a member shall receive an
44 allowance for life provided for in section 70.655; provided,
45 that for the sole purpose of computing the amount of such
46 allowance, he or she shall be given credited service for the
47 period from the date of his or her disability retirement to

48 the date he or she would attain age sixty. He or she shall
49 have the right to elect an option provided for in section
50 70.660. His or her disability retirement and allowance
51 shall be subject to the provisions of subsection 5 of this
52 section [and to the provisions of section 70.685].

53 5. At least once each year during the first five years
54 following a member's retirement on account of disability,
55 and at least once in each three-year period thereafter, the
56 board shall require any disability retirant who has not
57 attained his minimum service retirement age to undergo a
58 medical examination to be made by a physician designated by
59 the board. If the retirant refuses to submit to medical
60 examination in any such period, his disability allowance
61 shall be suspended by the board until his withdrawal of such
62 refusal. If such refusal continues for one year, all his
63 rights in and to a disability allowance shall be revoked by
64 the board. If, upon medical examination of the retirant,
65 the physician reports to the board that the retirant is
66 physically and mentally able and capable of resuming his
67 duty as an employee in the position held by him at the time
68 of his disability retirement, then the board shall, if
69 demanded by the retirant, arrange a further medical
70 examination of such member made by or under the direction of
71 a medical committee consisting of three physicians, one of
72 whom shall be selected by the board, one by or on behalf of
73 the member, and the third by the first two physicians
74 named. Should the medical committee concur, by majority
75 opinion in writing to the board, the disability retirant is
76 capable of resumption of duty, his disability retirement
77 shall terminate and he shall be returned to duty and he
78 shall immediately again become a member of the system, his
79 credited service at the time of disability retirement shall

80 be restored to his credit, and the amount of his accumulated
81 contributions at the time of his disability retirement shall
82 be restored to his credit in the members deposit fund. If
83 he was in receipt of a duty disability allowance provided
84 for in subsection 3 of this section, he shall also be given
85 service credit for the period he was in receipt of the duty
86 disability allowance.

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

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

17 3. In the event a member's membership in the system
18 terminates, and no allowance becomes or will become payable
19 on his account, any accumulated contributions standing to
20 his credit in the members deposit fund unclaimed by such
21 member or his legal representative within [three] ten years
22 after the date his membership terminated, shall be
23 transferred to the income-expense fund. If thereafter
24 proper application is made for such accumulated
25 contributions, the board shall pay them from the income-

26 expense fund, but without interest after the date payment
27 was first due.

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

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

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

70.746. Notwithstanding any other provision of law to
2 the contrary, the board of trustees may delegate to its duly
3 appointed investment counselor authority to act in place of
4 the board in the investment and reinvestment of all or part
5 of the moneys of the system, and may also delegate to such

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

70.747. Notwithstanding any other provision of law to
2 the contrary, the board shall have full power to invest and
3 reinvest the funds and moneys of the system in improved real
4 estate, including collective real estate funds and real
5 estate investment trusts, wherever situated[; provided,
6 however, that not more than one-tenth of the funds and
7 moneys of the system at the time of such investment shall be
8 so invested].

70.748. 1. Notwithstanding the provisions of section
2 105.662 to the contrary, the board may set up and maintain a
3 local government employee retirement systems of Missouri
4 investment fund account in which investment and reinvestment
5 of all or part of the moneys of the retirement system may be
6 placed and be available for investment purposes.

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

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

19 4. The board of trustees may promulgate all necessary
20 rules and regulations for the administration of this
21 section. Any rule or portion of a rule, as that term is
22 defined in section 536.010, that is created under the
23 authority delegated in this section shall become effective
24 only if it complies with and is subject to all of the
25 provisions of chapter 536 and, if applicable, section
26 536.028. This section and chapter 536 are nonseverable and
27 if any of the powers vested with the general assembly
28 pursuant to chapter 536 to review, to delay the effective
29 date, or to disapprove and annul a rule are subsequently
30 held unconstitutional, then the grant of rulemaking
31 authority and any rule proposed or adopted after August 28,
32 2024, shall be invalid and void.

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

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

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

(3) "Average final compensation":

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

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

(c) With respect to a member who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who

33 returns to active participation in the system pursuant to
34 section 86.251, and who terminates employment as a police
35 officer for reasons other than death or disability before
36 earning at least two years of creditable service after such
37 return, the portion of the member's benefit attributable to
38 creditable service earned before DROP entry shall be
39 determined using average final compensation as defined in
40 paragraph (a) of this subdivision; and the portion of the
41 member's benefit attributable to creditable service earned
42 after return to active participation in the system shall be
43 determined using average final compensation as defined in
44 paragraph (b) of this subdivision;

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

55 (e) With respect to a member who is participating in
56 the DROP pursuant to section 86.251 on October 1, 2001, or
57 whose participation in DROP ended before such date, who
58 returns to active participation in the system pursuant to
59 section 86.251, and whose employment as a police officer
60 terminates due to death or disability after such return, the
61 member's benefit attributable to all of such member's
62 creditable service shall be determined using the member's
63 average final compensation as defined in paragraph (b) of
64 this subdivision; and

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

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

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

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

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

82 (8) "Earnable compensation", the annual salary
83 [established under section 84.160] which a member would earn
84 during one year on the basis of the member's rank or
85 position, plus any additional compensation for academic work
86 and shift differential, that [may be provided] **is set** by any
87 **state or municipal body or** official [or board] now or
88 hereafter authorized by law to employ and manage a permanent
89 police force in such cities. Such amount shall include the
90 member's deferrals to a deferred compensation plan pursuant
91 to Section 457 of the Internal Revenue Code or to a
92 cafeteria plan pursuant to Section 125 of the Internal
93 Revenue Code or, effective October 1, 2001, to a
94 transportation fringe benefit program pursuant to Section
95 132(f)(4) of the Internal Revenue Code. [Earnable
96 compensation] **The term "earnable compensation"** shall not

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

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

118 (a) The last day of the plan year that includes August
119 28, 1995; or

120 (b) December 31, 1995;

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

123 (10) "Mandatory contributions", the contributions
124 required to be deducted from the salary of each member who
125 is not participating in DROP in accordance with section
126 86.320;

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

129 responsible for arranging and passing upon all medical
130 examinations required under the provisions of sections
131 86.200 to 86.366, which shall investigate all essential
132 statements and certificates made by or on behalf of a member
133 in connection with an application for disability retirement
134 and shall report in writing to the board of trustees its
135 conclusions and recommendations;

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

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

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

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

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

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

158 (18) "Reserve officer", any member of the police
159 reserve force of such cities, armed or unarmed, who works
160 less than full time, without compensation, and who, by his

161 or her assigned function or as implied by his or her
162 uniform, performs duties associated with those of a police
163 officer and who currently receives a service retirement as
164 provided by sections 86.200 to 86.366;

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

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

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

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

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

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

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

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

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

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

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

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

49 **(6) Not be prohibited from closing records to the**
50 **extent that such records relate to information submitted by**

51 **an individual, corporation, or other business entity in**
52 **connection with investments in or financial transactions**
53 **with business entities for investment purposes.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

66 3. (1) In lieu of the retirement allowance provided
67 either in subsection 1 or 2 of this section, collectively
68 called "option 1", a member whose creditable service is
69 twenty-five years or more or who has attained the age of
70 fifty-five with five or more years of creditable service may
71 elect in the member's application for retirement to receive
72 the actuarial equivalent of the member's retirement
73 allowance in reduced monthly payments for life during
74 retirement with the provision that:

75 Option 2.

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

85 Option 3.

86 Upon the death of the member three-fourths of the
87 reduced retirement allowance shall be continued throughout
88 the life of and paid to such person as has an insurable
89 interest in the life of the member and as the member shall
90 have nominated in an election of the option, and provided

91 further that if the person so nominated dies before the
92 retired member, the retirement allowance will be increased
93 to the amount the retired member would be receiving had the
94 member elected option 1; or

95 Option 4.

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

105 Option 5.

106 Upon the death of the member prior to the member having
107 received one hundred twenty monthly payments of the member's
108 reduced allowance, the remainder of the one hundred twenty
109 monthly payments of the reduced allowance shall be paid to
110 such beneficiary as the member shall have nominated in the
111 member's election of the option or in a subsequent
112 nomination. If there is no beneficiary so nominated who
113 survives the member for the remainder of the one hundred
114 twenty monthly payments, the total of the remainder of such
115 one hundred twenty monthly payments shall be paid to the
116 surviving spouse, surviving children in equal shares,
117 surviving parents in equal shares, or estate of the last
118 person, in that order of precedence, to receive a monthly
119 allowance in a lump sum payment. If the total of the one
120 hundred twenty payments paid to the retired individual and
121 the beneficiary of the retired individual is less than the

122 total of the member's accumulated contributions, the
123 difference shall be paid to the beneficiary in a lump sum; or
124 Option 6.

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

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

149 (a) If the member or a person retired on disability
150 retirement dies after acquiring twenty-five or more years of
151 creditable service or after attaining the age of fifty-five
152 years and acquiring five or more years of creditable service
153 and before retirement, except retirement with disability

154 benefits, and the person named by the member as the member's
155 beneficiary has an insurable interest in the life of the
156 deceased member, the designated beneficiary may elect to
157 receive either survivorship benefits under option 2 or a
158 payment of the accumulated contributions of the member. If
159 survivorship benefits under option 2 are elected and the
160 member at the time of death would have been eligible to
161 receive an actuarial equivalent of the member's retirement
162 allowance, the designated beneficiary may further elect to
163 defer the option 2 payments until the date the member would
164 have been eligible to receive the retirement allowance
165 provided in subsection 1 or 2 of this section;

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

179 4. If the total of the retirement or disability
180 allowance paid to an individual before the death of the
181 individual is less than the accumulated contributions at the
182 time of retirement, the difference shall be paid to the
183 beneficiary of the individual, or to the surviving spouse,
184 surviving children in equal shares, surviving parents in
185 equal shares, or estate of the individual in that order of

186 precedence. If an optional benefit as provided in option 2,
187 3 or 4 in subsection 3 of this section had been elected, and
188 the beneficiary dies after receiving the optional benefit,
189 and if the total retirement allowance paid to the retired
190 individual and the beneficiary of the retired individual is
191 less than the total of the contributions, the difference
192 shall be paid to the surviving spouse, surviving children in
193 equal shares, surviving parents in equal shares, or estate
194 of the beneficiary, in that order of precedence, unless the
195 retired individual designates a different recipient with the
196 board at or after retirement.

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

211 6. If a member dies before receiving a retirement
212 allowance, the member's accumulated contributions at the
213 time of the death of the member shall be paid to the
214 beneficiary of the member or, if there is no beneficiary, to
215 the surviving spouse, surviving children in equal shares,
216 surviving parents in equal shares, or to the estate of the
217 member, in that order of precedence; except that, no such

218 payment shall be made if the beneficiary elects option 2 in
219 subsection 3 of this section, unless the beneficiary dies
220 before having received benefits pursuant to that subsection
221 equal to the accumulated contributions of the member, in
222 which case the amount of accumulated contributions in excess
223 of the total benefits paid pursuant to that subsection shall
224 be paid to the surviving spouse, surviving children in equal
225 shares, surviving parents in equal shares, or estate of the
226 beneficiary, in that order of precedence.

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

232 8. Notwithstanding any provisions of sections 169.010
233 to 169.141 to the contrary, if a member ceases to be a
234 public school employee after acquiring five or more years of
235 membership service in Missouri, the member may at the option
236 of the member leave the member's contributions with the
237 retirement system and claim a retirement allowance any time
238 after reaching the minimum age for voluntary retirement.
239 When the member's claim is presented to the board, the
240 member shall be granted an allowance as provided in sections
241 169.010 to 169.141 on the basis of the member's age, years
242 of service, and the provisions of the law in effect at the
243 time the member requests the member's retirement to become
244 effective.

245 9. The retirement allowance of a member retired
246 because of disability shall be nine-tenths of the allowance
247 to which the member's creditable service would entitle the
248 member if the member's age were sixty, or fifty percent of
249 one-twelfth of the annual salary rate used in determining

250 the member's contributions during the last school year for
251 which the member received a year of creditable service
252 immediately prior to the member's disability, whichever is
253 greater, except that no such allowance shall exceed the
254 retirement allowance to which the member would have been
255 entitled upon retirement at age sixty if the member had
256 continued to teach from the date of disability until age
257 sixty at the same salary rate.

258 10. Notwithstanding any provisions of sections 169.010
259 to 169.141 to the contrary, from October 13, 1961, the
260 contribution rate pursuant to sections 169.010 to 169.141
261 shall be multiplied by the factor of two-thirds for any
262 member of the system for whom federal Old Age and Survivors
263 Insurance tax is paid from state or local tax funds on
264 account of the member's employment entitling the person to
265 membership in the system. The monetary benefits for a
266 member who elected not to exercise an option to pay into the
267 system a retroactive contribution of four percent on that
268 part of the member's annual salary rate which was in excess
269 of four thousand eight hundred dollars but not in excess of
270 eight thousand four hundred dollars for each year of
271 employment in a position covered by this system between July
272 1, 1957, and July 1, 1961, as provided in subsection 10 of
273 this section as it appears in RSMo, 1969, shall be the sum
274 of:

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

278 (2) For years of membership service after July 1,
279 1946, in which the full contribution rate was paid, full
280 benefits under the formula in effect at the time of the
281 member's retirement;

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

289 (4) For years of membership service after July 1,
290 1961, in which the two-thirds contribution rate was paid,
291 two-thirds of the benefits under the formula in effect at
292 the time of the member's retirement.

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

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

301 (2) For years of membership service after July 1,
302 1946, in which the full contribution rate was paid, full
303 benefits under the formula in effect at the time of the
304 member's retirement;

305 (3) For years of membership service after July 1,
306 1957, in which the two-thirds contribution rate was paid,
307 two-thirds of the benefits under the formula in effect at
308 the time of the member's retirement.

309 12. Any retired member of the system who was retired
310 prior to September 1, 1972, or beneficiary receiving
311 payments under option 1 or option 2 of subsection 3 of this
312 section, as such option existed prior to September 1, 1972,
313 will be eligible to receive an increase in the retirement

314 allowance of the member of two percent for each year, or
315 major fraction of more than one-half of a year, which the
316 retired member has been retired prior to July 1, 1975. This
317 increased amount shall be payable commencing with January,
318 1976, and shall thereafter be referred to as the member's
319 retirement allowance. The increase provided for in this
320 subsection shall not affect the retired member's eligibility
321 for compensation provided for in section 169.580 or 169.585,
322 nor shall the amount being paid pursuant to these sections
323 be reduced because of any increases provided for in this
324 section.

325 13. If the board of trustees determines that the cost
326 of living, as measured by generally accepted standards,
327 increases two percent or more in the preceding fiscal year,
328 the board shall increase the retirement allowances which the
329 retired members or beneficiaries are receiving by two
330 percent of the amount being received by the retired member
331 or the beneficiary at the time the annual increase is
332 granted by the board with the provision that the increases
333 provided for in this subsection shall not become effective
334 until the fourth January first following the member's
335 retirement or January 1, 1977, whichever later occurs, or in
336 the case of any member retiring on or after July 1, 2000,
337 the increase provided for in this subsection shall not
338 become effective until the third January first following the
339 member's retirement, or in the case of any member retiring
340 on or after July 1, 2001, the increase provided for in this
341 subsection shall not become effective until the second
342 January first following the member's retirement. Commencing
343 with January 1, 1992, if the board of trustees determines
344 that the cost of living has increased five percent or more
345 in the preceding fiscal year, the board shall increase the

346 retirement allowances by five percent. The total of the
347 increases granted to a retired member or the beneficiary
348 after December 31, 1976, may not exceed eighty percent of
349 the retirement allowance established at retirement or as
350 previously adjusted by other subsections. If the cost of
351 living increases less than five percent, the board of
352 trustees may determine the percentage of increase to be made
353 in retirement allowances, but at no time can the increase
354 exceed five percent per year. If the cost of living
355 decreases in a fiscal year, there will be no increase in
356 allowances for retired members on the following January
357 first.

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

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

372 16. Notwithstanding any other provision of law, any
373 person retired prior to September 28, 1983, who is receiving
374 a reduced retirement allowance under option 1 or option 2 of
375 subsection 3 of this section, as such option existed prior
376 to September 28, 1983, and whose beneficiary nominated to
377 receive continued retirement allowance payments under the

378 elected option dies or has died, shall upon application to
379 the board of trustees have his or her retirement allowance
380 increased to the amount he or she would have been receiving
381 had the option not been elected, actuarially adjusted to
382 recognize any excessive benefits which would have been paid
383 to him or her up to the time of application.

384 17. Benefits paid pursuant to the provisions of the
385 public school retirement system of Missouri shall not exceed
386 the limitations of Section 415 of Title 26 of the United
387 States Code except as provided pursuant to this subsection.
388 Notwithstanding any other law to the contrary, the board of
389 trustees may establish a benefit plan pursuant to Section
390 415(m) of Title 26 of the United States Code. Such plan
391 shall be created solely for the purpose described in Section
392 415(m) (3) (A) of Title 26 of the United States Code. The
393 board of trustees may promulgate regulations necessary to
394 implement the provisions of this subsection and to create
395 and administer such benefit plan.

396 18. Notwithstanding any other provision of law to the
397 contrary, any person retired before, on, or after May 26,
398 1994, shall be made, constituted, appointed and employed by
399 the board as a special consultant on the matters of
400 education, retirement and aging, and upon request shall give
401 written or oral opinions to the board in response to such
402 requests. As compensation for such duties the person shall
403 receive an amount based on the person's years of service so
404 that the total amount received pursuant to sections 169.010
405 to 169.141 shall be at least the minimum amounts specified
406 in subdivisions (1) to (4) of this subsection. In
407 determining the minimum amount to be received, the amounts
408 in subdivisions (3) and (4) of this subsection shall be
409 adjusted in accordance with the actuarial adjustment, if

410 any, that was applied to the person's retirement allowance.
411 In determining the minimum amount to be received, beginning
412 September 1, 1996, the amounts in subdivisions (1) and (2)
413 of this subsection shall be adjusted in accordance with the
414 actuarial adjustment, if any, that was applied to the
415 person's retirement allowance due to election of an optional
416 form of retirement having a continued monthly payment after
417 the person's death. Notwithstanding any other provision of
418 law to the contrary, no person retired before, on, or after
419 May 26, 1994, and no beneficiary of such a person, shall
420 receive a retirement benefit pursuant to sections 169.010 to
421 169.141 based on the person's years of service less than the
422 following amounts:

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

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

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

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

431 19. Notwithstanding any other provisions of law to the
432 contrary, any person retired prior to May 26, 1994, and any
433 designated beneficiary of such a retired member who was
434 deceased prior to July 1, 1999, shall be made, constituted,
435 appointed and employed by the board as a special consultant
436 on the matters of education, retirement or aging and upon
437 request shall give written or oral opinions to the board in
438 response to such requests. Beginning September 1, 1996, as
439 compensation for such service, the member shall have added,
440 pursuant to this subsection, to the member's monthly annuity
441 as provided by this section a dollar amount equal to the

442 lesser of sixty dollars or the product of two dollars
443 multiplied by the member's number of years of creditable
444 service. Beginning September 1, 1999, the designated
445 beneficiary of the deceased member shall as compensation for
446 such service have added, pursuant to this subsection, to the
447 monthly annuity as provided by this section a dollar amount
448 equal to the lesser of sixty dollars or the product of two
449 dollars multiplied by the member's number of years of
450 creditable service. The total compensation provided by this
451 section including the compensation provided by this
452 subsection shall be used in calculating any future cost-of-
453 living adjustments provided by subsection 13 of this section.

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

467 21. Any member who has retired shall be made,
468 constituted, appointed and employed by the board as a
469 special consultant on the matters of education, retirement
470 and aging, and upon request shall give written or oral
471 opinions to the board in response to such request. As
472 compensation for such duties, the beneficiary of the retired
473 member, or, if there is no beneficiary, the surviving

474 spouse, surviving children in equal shares, surviving
475 parents in equal shares, or estate of the retired member, in
476 that order of precedence, shall receive as a part of
477 compensation for these duties a death benefit of five
478 thousand dollars.

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

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

503 24. Any member who has retired prior to July 1, 2001,
504 and the designated beneficiary of a deceased retired member
505 shall be made, constituted, appointed and employed by the

506 board as a special consultant on the matters of education,
507 retirement and aging, and upon request shall give written or
508 oral opinions to the board in response to such requests. As
509 compensation for such duties, the person shall receive a
510 dollar amount equal to three dollars times the member's
511 number of years of creditable service, which shall be added
512 to the member's or beneficiary's monthly annuity and which
513 shall not be subject to the provisions of subsections 13 and
514 14 of this section for the purposes of the limit on the
515 total amount of increases which may be received.

169.560. 1. Any person retired and currently
2 receiving a retirement allowance pursuant to sections
3 169.010 to 169.141[, other than for disability,] may be
4 employed in any capacity for an employer included in the
5 retirement system created by those sections on either a part-
6 time or temporary-substitute basis not to exceed a total of
7 five hundred fifty hours in any one school year, and through
8 such employment may earn up to fifty percent of the annual
9 compensation payable under the employer's salary schedule
10 for the position or positions filled by the retiree, given
11 such person's level of experience and education, without a
12 discontinuance of the person's retirement allowance. If the
13 employer does not utilize a salary schedule, or if the
14 position in question is not subject to the employer's salary
15 schedule, a retiree employed in accordance with the
16 provisions of this subsection may earn up to fifty percent
17 of the annual compensation paid to the person or persons who
18 last held such position or positions, **or may earn up to**
19 **fifty percent of the limit set for the position by the**
20 **school board of the employer which has been submitted and**
21 **approved by the board of trustees of the retirement system.**
22 If the position or positions did not previously exist, the

23 compensation limit shall be determined in accordance with
24 rules duly adopted by the board of trustees of the
25 retirement system; provided that, it shall not exceed fifty
26 percent of the annual compensation payable for the position
27 by the employer that is most comparable to the position
28 filled by the retiree. In any case where a retiree fills
29 more than one position during the school year, the fifty-
30 percent limit on permitted earning shall be based solely on
31 the annual compensation of the highest paid position
32 occupied by the retiree for at least one-fifth of the total
33 hours worked during the year. Such a person shall not
34 contribute to the retirement system or to the public
35 education employee retirement system established by sections
36 169.600 to 169.715 because of earnings during such period of
37 employment. If such a person is employed in any capacity by
38 such an employer in excess of the limitations set forth in
39 this subsection, the person shall not be eligible to receive
40 the person's retirement allowance for any month during which
41 the person is so employed **or the retirement system shall**
42 **recover the amount the person earned in excess of the**
43 **limitations, whichever is less.** In addition, such person
44 shall contribute to the retirement system if the person
45 satisfies the retirement system's membership eligibility
46 requirements. In addition to the conditions set forth
47 above, this subsection shall apply to any person retired and
48 currently receiving a retirement allowance under sections
49 169.010 to 169.141[, other than for disability,] who is
50 employed by a third party or is performing work as an
51 independent contractor, if such person is performing work
52 for an employer included in the retirement system as a
53 temporary or long-term substitute teacher or in any other
54 position that would normally require that person to be duly

55 certificated under the laws governing the certification of
56 teachers in Missouri if such person was employed by the
57 district. The retirement system may require the employer,
58 the third-party employer, the independent contractor, and
59 the retiree subject to this subsection to provide
60 documentation showing compliance with this subsection. If
61 such documentation is not provided, the retirement system
62 may deem the retiree to have exceeded the limitations
63 provided in this subsection.

64 2. Notwithstanding any other provision of this
65 section, any person retired and currently receiving a
66 retirement allowance in accordance with sections 169.010 to
67 169.141[, other than for disability,] may be employed by an
68 employer included in the retirement system created by those
69 sections in a position that does not normally require a
70 person employed in that position to be duly certificated
71 under the laws governing the certification of teachers in
72 Missouri, and through such employment may earn, beginning on
73 August 28, 2023, and ending on June 30, 2028, up to one
74 hundred thirty-three percent of the annual earnings
75 exemption amount applicable to a Social Security recipient
76 before the calendar year of attainment of full retirement
77 age under 20 CFR 404.430, and, after June 30, 2028, up to
78 the annual earnings exemption amount applicable to a Social
79 Security recipient before the calendar year of attainment of
80 full retirement age under 20 CFR 404.430, without a
81 discontinuance of the person's retirement allowance from the
82 retirement system. The Social Security annual earnings
83 exemption amount applied shall be the exemption amount in
84 effect for the calendar year in which the school year
85 begins. Such person shall not contribute to the retirement
86 system or to the public education employee retirement system

87 established by sections 169.600 to 169.715 because of
88 earnings during such period of employment, and such person
89 shall not earn membership service for such employment. The
90 employer's contribution rate shall be paid by the hiring
91 employer into the public education employee retirement
92 system established by sections 169.600 to 169.715. If such
93 a person is employed in any capacity by an employer in
94 excess of the limitations set forth in this subsection, the
95 person shall not be eligible to receive the person's
96 retirement allowance for any month during which the person
97 is so employed **or the retirement system shall recover the**
98 **amount the person earned in excess of the limitations,**
99 **whichever is less.** In addition, such person shall become a
100 member of and contribute to any retirement system described
101 in this subsection if the person satisfies the retirement
102 system's membership eligibility requirements. The
103 provisions of this subsection shall not apply to any person
104 retired and currently receiving a retirement allowance in
105 accordance with sections 169.010 to 169.141 employed by a
106 public community college or employer under subsection 4 of
107 section 169.130.

169.660. 1. On and after the first day of July next
2 following the operative date, any member who is sixty or
3 more years of age and who has at least five years of
4 creditable service, or who has attained age fifty-five and
5 has at least twenty-five years of creditable service, or who
6 has at least thirty years of creditable service regardless
7 of age may retire and receive the full retirement benefits
8 based on the member's creditable service. A member whose
9 creditable service at retirement is less than five years
10 shall not be entitled to a retirement allowance but shall be
11 entitled to receive the member's contributions.

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

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

✓