



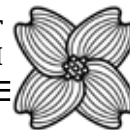
RULES OF

# Retirement Systems

## Division 10—The Public School Retirement System of Missouri

### Chapter 6—The Public Education Employee Retirement System of Missouri

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**TITLE 16 – RETIREMENT SYSTEMS**  
**Division 10 – The Public School Retirement**  
**System of Missouri**  
**Chapter 6 – The Public Education Employee**  
**Retirement System of Missouri**

**16 CSR 10-6.010 Employment**

*PURPOSE: This rule provides for membership based on employment for persons not qualified for or entitled to membership in the public school retirement system, as authorized by sections 169.600 and 169.650, RSMo and for rights to retain membership under certain specified conditions.*

(1) Effective July 1, 2004, a person shall be considered to be regularly employed if he or she is employed in a position that normally requires continuous services for at least twenty (20) hours per week for the school term and normally requires at least six hundred (600) hours during the school term. A person who meets the requirements above, but who does not complete six hundred (600) hours of employment prior to termination of employment shall be considered to be regularly employed.

(2) The employer of any person eligible for membership in the retirement system under the provisions of section 169.600.15, RSMo shall furnish to the board of trustees a certified copy of a resolution adopted by the governing body responsible for the administration of the junior college district before any such person shall be considered eligible for membership. This resolution shall request the board of trustees to grant membership to the eligible employees of the district who are now or may become eligible for membership and shall indicate that the governing body will assume full responsibility for the withholding of contributions from the salaries paid to such persons and for the remittance of contributions to the retirement system (also see 16 CSR 10-2.010 and 16 CSR 10-3.010).

(3) Any person whose employment renders him/her eligible for membership in The Public School Retirement System of Missouri as of August 13, 1984, who on that date was a member of The Public Education Employee Retirement System of Missouri because of that employment, may elect continued coverage under The Public Education Employee Retirement System of Missouri as long as s/he remains in that same position with the same employer. The election must be made in writing and filed with the board of trustees prior to July 1, 1985, and will be irrevocable after that date. If the election is not made prior to July 1, 1985, the person shall establish membership in and contribute to The Public School Retirement System of Missouri for services rendered in that position after June 30, 1985, as long as s/he remains eligible for membership under section 169.010(16), RSMo.

(4) Any person whose employment is full-time as defined by The Public School Retirement System of Missouri and is thus eligible as of July 1, 1995, for coverage under The Public School Retirement System of Missouri, and which employment prior to July 1, 1995, required membership in The Public Education Employee Retirement System of Missouri, may make an irrevocable election for continued membership under The Public Education Employee Retirement System for the duration of employment in the same position with the same employer if the election is made in writing and filed with the board of trustees by September 30, 1995. If the election is not filed by

that date, the employee shall participate as of July 1, 1995, in The Public School Retirement System of Missouri because of that employment as long as the person remains eligible for membership under section 169.010(16), RSMo.

*AUTHORITY: section 169.610, RSMo Supp. 2005.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Emergency amendment filed July 3, 1984, effective July 13, 1984, expired Nov. 10, 1984. Amended: Filed Jan. 17, 1986, effective June 12, 1986. Amended: Filed Aug. 4, 1994, effective Feb. 26, 1995. Amended: Filed Aug. 29, 2003, effective Feb. 29, 2004. Amended: Filed Sept. 1, 2005, effective Feb. 28, 2006.*

*\*Original authority: 169.610, RSMo 1965, amended 1977, 2005.*

**16 CSR 10-6.015 Part-Time Election**

*PURPOSE: This rule defines what is meant by “first employed” and “first such employment” as it relates to the part-time election offered to certain certificated members under section 169.712, RSMo, and sets forth the membership requirements of those members who elect membership in the Public Education Employee Retirement System and then undergo certain changes in their work or positions.*

(1) Effective January 1, 2022, for purposes of section 169.712.1, RSMo, “first employed” and “first such employment” means the first instance of certificated part-time covered employment for an individual who has never held Public School Retirement System (PSRS) membership. At the time of this employment, if a certificated person is employed less than full-time, but in a manner that would qualify him or her for membership in the Public Education Employee Retirement System of Missouri, such person shall become a member of the PSRS of Missouri and shall receive creditable service on a *pro rata* basis in that system. However, such person shall have the right to elect to become or remain a member of the Public Education Employee Retirement System of Missouri by filing an election within the time frame required by section 169.712.1, RSMo, and in the manner required by the board of trustees. Such election shall be irrevocable and apply to all subsequent eligible part-time certificated employment in the current and future memberships, unless and until such person becomes employed full-time while holding a certificate. In that event, such person shall become a member of the PSRS of Missouri for all subsequent full-time and part-time certificated employment in the current and future memberships.

(2) Effective January 1, 2022, for purposes of section 169.712.2, RSMo, “first such employment” means the first instance of certificated part-time employment of at least seventeen (17) but less than twenty (20) hours per week on a regular basis with a public school as defined in section 169.010, RSMo, for an individual who has never held PSRS membership. At the time of this employment, such person shall become a member of the PSRS of Missouri and shall receive creditable service on a *pro rata* basis in that system. However, such person shall have the right to elect to become or remain a member of the Public Education Employee Retirement System of Missouri by filing an election within the time frame required by section 169.712.2, RSMo, and in the manner required by the board of trustees. Such election shall be irrevocable and apply to all subsequent eligible part-time certificated employment in the current and future memberships, unless and until such person



becomes employed full-time while holding a certificate. In that event, such person shall become a member of the PSRS of Missouri for all subsequent full-time and part-time certificated employment in the current and future memberships.

*AUTHORITY: section 169.712, RSMo 2016.\* Original rule filed July 30, 2021, effective March 30, 2022.*

*\*Original authority: 169.712, RSMo 1991, amended 1993, 1997, 2003, 2005.*

**16 CSR 10-6.020 Source of Funds**

*PURPOSE: This rule sets forth the method and deadline for payments by employers as provided by section 169.620, RSMo.*

(1) Each employer reporting to The Public Education Employee Retirement System of Missouri shall report required data on employees and all contributions to the retirement system using the Online Automated System Integrated Solution (OASIS).

(2) Employers shall use OASIS to report salary payments made to all employees, contributions withheld from employees included in the retirement system, and supporting information required by the board of trustees. Transmission of data must be sent to the board of trustees no later than ten (10) working days after the last day of each calendar month of the school year in which salaries are paid.

(3) Employers of persons included in the retirement system shall withhold from each salary payment issued to such persons during the school year in which the services are rendered an amount which is the percent of salary rate required by the contribution rate then in effect; and employers shall transmit to the board of trustees, not later than ten (10) days after the last day of each calendar month of the school year, twice the amount withheld during the month.

(4) All deductions of contributions from salary payments made by employers for the retirement system are declared and shall be considered to be funds belonging to the retirement system; and no employer shall refund or repay any contributions or any part of any contributions so deducted to any employee for any cause but shall transmit all contributions deducted, together with an equal amount, to the board of trustees, which board shall settle all claims against funds so deducted.

(5) All contributions withheld from salaries paid to members along with an equal contribution of the employer shall be transmitted to the board of trustees by check, bank draft, electronic funds transfer, or any negotiable instrument collectible at par through a bank in the state of Missouri, made payable to The Public Education Employee Retirement System of Missouri.

(6) If remittance for the full amount of both employee's and employer's contributions which are due the retirement system is not received in accordance with these regulations, it shall be considered a failure or refusal by the employer to transmit such amount and suit for recovery of the amount may be instituted as provided for in section 169.620, RSMo.

(7) Errors by employers in reporting of eligibility for membership, assigning of employees, and in remitting of contributions will be corrected retroactively, provided the employer certifies that an error was made, provides evidence adequate to support the

correction, and remits any balance due from the employer and employee. If the employer has overremitted, the amount of the employer's portion of the overpayments will be credited to the employer to be applied against future contributions. The amount withheld by the employer from the employee shall be refunded to the employee in a manner consistent with the *Internal Revenue Code*.

(8) Any refund of contributions remitted in error for a member or an employee shall include the total interest, if any, which was credited to those contributions by the retirement system. Any credit provided to the employer for matching employer contributions required in such an instance shall be equal to the total amount paid to the member or employee, including interest. Any correcting remittance of contributions for a member shall include the total interest, if any, which would have been credited to those contributions by the retirement system had the contributions been remitted on a correct and timely basis. Any matching employer contribution remitted in such an instance shall be equal to the total amount remitted for the member, including interest.

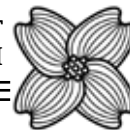
(9) For purposes of determining retirement contributions and benefits, salary rate includes medical insurance premiums (including dental and vision) paid by the employer on behalf of the member and payments made by the employer on behalf of the member to a self-funded medical benefits plan. The employer shall withhold from the member's salary and remit to the system contributions on any such premiums and payments, along with matching employer contributions. The payment reported for each member covered by a self-funded medical benefits plan shall be determined by the employer.

(A) Salary rate also includes payments made by the employer on behalf of the member to purchase an annuity, or fund a deferred compensation plan, in lieu of medical insurance or a self-funded medical benefits plan.

(B) Premiums and payments for prescription drug, life, and other ancillary benefits determined separately from premiums and payments for general medical benefits are not part of salary rate.

(C) Beginning July 1, 2017, premiums paid by the employer on behalf of the member and payments made by the employer on behalf of the member to a self-funded medical benefits plan for prescription drug coverage shall be included in salary rate as defined in section 169.600, RSMo, whether or not such premiums or payments for prescription drug coverage were determined separately from premiums and payments for general medical benefits. Contributions transmitted to the retirement system before July 1, 2017, based on salary rates which either included or excluded employer-paid premiums or payments to a self-funded medical benefits plan for prescription drug coverage for members shall be deemed to have been in compliance with this section. The retirement system shall not refund or adjust contributions or adjust benefit determinations with respect to any period before July 1, 2017, solely because of the treatment of employer-paid premiums or payments to a self-funded medical benefits plan for prescription drug coverage for members.

(D) Beginning July 1, 2020, certain payments made by the employer on behalf of the member to a Health Savings Account (HSA) shall be included in salary rate as defined in section 169.600, RSMo, whether or not such payments were determined separately from premiums and payments for general medical benefits. Payments made by an employer to a member's HSA shall be included in salary rate up to the amount that is offered to all employer's employees and not to exceed the applicable



annual HSA contribution limit set by Internal Revenue Code for single coverage. The annual contribution limit used will be the one in effect for the calendar year in which a plan year begins. Contributions transmitted to the retirement system before July 1, 2020, based on salary rates which either included or excluded employer payments to a member's HSA shall be deemed to have been in compliance with this section. The retirement system shall not refund or adjust contributions or adjust benefit determinations with respect to any period before July 1, 2020, solely because of the treatment of employer-paid HSA contributions.

(E) Salary, salary rate, or compensation as defined in section 169.600, RSMo, shall not be reduced due to premium rebates or refunds received by the employer as a result of the implementation of the "Patient Protection and Affordable Care Act," Public Law 111-148.

(10) Retirement contributions which are withheld from compensation paid to members after June 30, 1989, shall be deemed to have been picked up by the employer within the meaning of Section 414(h)(2) of the *Internal Revenue Code*. The contributions shall be withheld and credited to member accounts in accordance with the provisions of sections 169.600–169.710, RSMo, but shall be considered to have been picked up by the employer solely for the purpose of sheltering the contributions from federal income tax until paid by the retirement system in the form of a refund or other benefits. The contributions shall be subject to refund or benefit claims by either the member or his/her surviving beneficiary in the same manner as any other contributions in the member's account with the retirement system. In reporting the contributions to the retirement system, every employer included within the retirement system shall certify that—1) the employee contributions were picked up by the employer in lieu of being paid directly to the employees and 2) the employees had no option to receive the contributions directly. The salary reported to the retirement system for each employee shall include the contributions withheld, and the total contributions withheld and reported shall equal the percentage of that salary required under the then-prevailing contribution rate. In withholding and reporting federal income tax to taxing authorities, however, the employer shall exclude from taxable compensation the retirement contributions withheld. Nothing in this rule shall be construed in any way as affecting eligibility for, the amount of, or the process of paying any refund or benefit payable to either the member or his/her surviving beneficiary.

(11) The terms "salary," "salary rate," and "compensation" are synonymous when used in regulations promulgated by the board, unless the context plainly requires a different meaning.

(A) For purposes of calculating contributions and benefits, those terms mean the regular remuneration earned by a member as an employee of any covered district during a school year, including (unless excluded by subsection (11)(B)):

1. Salary paid under the terms of the basic employment agreement;
2. Wages;
3. Payments for extra duties, whether or not related to the employee's regular position;
4. Overtime payments;
5. Career ladder payments made pursuant to sections 168.500 to 168.515, RSMo;
6. Supplemental salary paid in addition to workers' compensation;
7. Medical benefits as specified in section (9) of this rule;

8. Payment for annual leave, sick leave, or similar paid leave actually used by the member;

9. Payment for leaves of absence if at least one hundred percent (100%) of previous contract rate;

10. Compensation on which taxation is deferred under *Internal Revenue Code* (IRC) section 401(k), 403(b), 457, 414(h)(2), or similar plans established by the employer under the IRC;

11. Salary reductions for purposes of a plan established by the employer under IRC section 125; and

12. Other similar payments that are earned by a member as an employee of any covered district during a school year.

(B) Salary, salary rate, and compensation do not include:

1. Payments for services as an independent contractor, or any other payment that must be reported on IRS form 1099-MISC;

2. Payments made by an entity that is not a covered employer and reported to the IRS under that entity's tax identification number;

3. Payments made for unused annual, sick, or similar leave time, except as provided by section 104.601, RSMo;

4. Payment for leaves of absence if less than one hundred percent (100%) of previous contract rate, except as provided in section 169.595, RSMo;

5. Extraordinary payments such as bonuses, awards, and retirement incentives;

6. Consideration for agreeing to terminate employment, including retirement incentives, retirement or separation notice incentives, or any other payment(s) received by an employee in exchange for agreeing to terminate employment, regardless of if the employee is required to also perform extra duties as a condition of receiving the payment(s);

7. Fringe benefits, except medical benefits as described in section (9) of this rule;

8. Any other payment that is not part of the regular remuneration earned by a member as an employee of a covered district during a school year; and

9. Payments resulting from employment disputes including severance pay, back pay awards, payments in settlement of employment contract disputes, payments in consideration for agreeing to terminate employment, and payments in settlement of other employment disputes.

(C) While an individual is employed in a position covered by the system, compensation received from all employers participating in the system will be used to determine contributions and benefits. Compensation includes payments for services rendered during the regular school session, summer school, or interim periods. Individuals may not have compensation covered by both Public School Retirement System (PSRS) and Public Education Employee Retirement System (PEERS) for the same period; provided, individuals who contributed to both systems on compensation for the same period during the 1996–97 school year may elect in writing to continue that status. The election is irrevocable and must be made before September 30, 1997.

(D) In determining "final average salary" as defined in section 169.600, RSMo, the system will disregard any increase in compensation in excess of twenty percent (20%) from one (1) year to the next in the final average salary period. This limit will not apply to increases due to bona fide changes in position or employer or increases required by state statute.

*AUTHORITY: section 169.610, RSMo 2016.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Amended: Filed June 20, 1978, effective Oct. 15, 1978. Amended: Filed Feb. 16, 1988, effective July 1, 1988. Amended: Filed April 18, 1989, effective July 1, 1989. Amended: Filed March 14, 1990, effective June 28, 1990. Amended:*



Filed Dec. 29, 1994, effective June 30, 1995. Amended: Filed April 24, 1996, effective Nov. 30, 1996. Amended: Filed Feb. 13, 1997, effective July 1, 1997. Amended: Filed July 8, 1997, effective Jan. 30, 1998. Amended: Filed June 14, 1999, effective Dec. 30, 1999. Amended: Filed Nov. 18, 1999, effective May 30, 2000. Amended: Filed Sept. 1, 2005, effective Feb. 28, 2006. Amended: Filed Oct. 31, 2012, effective April 30, 2013. Amended: Filed June 24, 2013, effective Jan. 30, 2014. Amended: Filed Jan. 15, 2014, effective July 30, 2014. Amended: Filed Feb. 17, 2015, effective Aug. 30, 2015. Amended: Filed April 21, 2016, effective Nov. 30, 2016. Amended: Filed Jan. 29, 2020, effective July 30, 2020.

\*Original authority: 169.610, RSMo 1965, amended 1977, 2005.

**Op. Atty. Gen. No. 224, Black (11-30-77).** If an employer participates in The Missouri Non-Teacher School Employee Retirement System, employer may not withhold employer's share of contribution for full-time employee whose salary is funded through the Comprehensive Employment and Training Act of 1973 until the employee's retirement benefits vest. Also, the Retirement System is not authorized to refund to an employer the employer's contributions attributable to any employee who terminates his/her employment prior to the vesting of his/her benefits.

**16 CSR 10-6.030 Management of Funds**

*PURPOSE:* This rule provides for the security of funds in the depository financial institution(s) and the investment of the funds as authorized in sections 169.630 and 169.640, RSMo.

- (1) The system shall name a depository financial institution(s) in which all moneys received by the retirement office must be deposited and from which all disbursements of system funds must be made.
- (2) All system funds held by this financial institution(s) must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by collateral held by a third party in the name of the system as provided by section 169.640, RSMo, which shall be available to the system in the event of default by the financial institution(s).
- (3) The executive director or his/her designated employee(s) shall determine and maintain appropriate balance of funds to be held in the financial institution(s) to satisfy the current obligations of the system.
- (4) The portion of the balance held in the financial institution(s) but not needed for immediate settlement of system payments may be invested in collateralized investments.
- (5) The system shall name a custodial bank to facilitate the investment of funds and safekeeping of securities.
- (6) Funds held by the depository financial institution(s) in excess of the appropriate balance shall be transferred to the system's custodial bank and shall be distributed to the system's investment managers to be invested in accordance with the asset allocation policy of the board of trustees.
- (7) The board of trustees shall determine annually, on or before June 30, the rate of interest which shall be in effect on July 1 of the following fiscal year and which shall be used to credit interest to members' accumulated contribution accounts at the end of the following fiscal year.

(8) Section 169.630, RSMo, provides the board authority to invest the assets of the system established by sections 169.600 to 169.715, RSMo. Pursuant to such authority, assets of such system may be invested in any collective investment fund, including common and group trust funds that consist exclusively of assets of exempt pension and profit sharing trusts and individual retirement accounts, custodial accounts, retirement income accounts, governmental plans, and tax-exempt trusts under the *Internal Revenue Code* of 1986 and Rev. Rule 81-100, as modified by Rev. Rules 2004-67, 2008-40, and 2011-1. The assets so invested shall be subject to all the provisions of the instruments establishing and governing such funds. Those instruments of group trusts, including any subsequent amendments, are hereby incorporated by reference and made a part of the system established by sections 169.600 to 169.750, RSMo, to the extent of the system's investment therein.

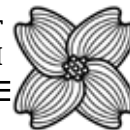
*AUTHORITY:* section 169.610, RSMo 2016.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Amended: Filed Jan. 8, 1985, effective May 11, 1985. Amended: Filed Aug. 29, 1997, effective Feb. 28, 1998. Amended: Filed April 17, 2012, effective Oct. 30, 2012. Amended: Filed Jan. 4, 2019, effective July 30, 2019.

\*Original authority: 169.610, RSMo 1965, amended 1977, 2005.

**16 CSR 10-6.040 Membership Service Credit**

*PURPOSE:* This rule sets forth the manner in which credit is to be earned or purchased in accordance with the provisions of sections 105.985, 169.595, 169.600, 169.620, and 169.650, RSMo.

- (1) Membership service credit for regularly employed members will be calculated based on the following ratio beginning July 1, 1997: The actual compensation received by the member for the school year divided by the minimum annual compensation expected to be paid for that position for a complete school year, as reflected on the beginning of the year report from the employer (or as later amended). Both the numerator and denominator will be determined without regard to the medical benefits that are otherwise included in compensation. Credit resulting from the above calculation shall be rounded to the nearest hundred-thousandth. Not more than one (1) year of membership service credit will be allowed for any school year.
- (2) When a member terminates employment with an employer included in the retirement system before the end of a school year, the maximum credit that may be received for that school year for employment with such employer will be calculated based on the portion of the school year completed before termination of membership. When a member begins employment with an employer included in the retirement system after the start of a school year, the maximum credit that may be received for that school year for employment with such employer will be calculated based on the portion of the school year completed after starting covered employment. Provided, however, that the beneficiary of a deceased member may elect to have membership service credit calculated pursuant to section (1) of this rule if such beneficiary is eligible or would become eligible for benefits pursuant to section 169.670.4(2), RSMo. In no event will benefit payments commence prior to July 1 if the member is allowed one (1) year of membership service credit.



(3) Any credit earned for a period of leave under section 169.595, RSMo, shall be secured only during the leave period; provided that if all contributions due for such credit are received within the school year in which the leave occurred, the credit shall be allowable.

(4) Any credit earned for a period of leave under section 169.595, RSMo, shall be secured only if the necessary contributions are remitted by the employing district by June 30 of the school year that occurs two (2) years after the school year in which the leave period occurred and are accompanied by a statement from the employing district certifying the name of the member for whom the contributions are being remitted and that the member was either on sick leave in accordance with the sick leave provisions of the employer or was under Workers' Compensation during the period of leave.

(5) A member may elect to purchase creditable service under section 105.985, RSMo, only if the member had previously acquired creditable service in a retirement plan defined in that section for the employment to which the election applies; except that if the service did not meet the membership requirements of the employer's retirement plan or the employer had no retirement plan at the time the service was rendered, but the service would otherwise have met the membership requirements of this system as in effect when the election is made, the member shall be eligible to purchase this creditable service. The creditable service allowable shall be determined in accordance with the provision of section 105.985, RSMo, and the rules of the board of trustees.

(6) A member who does not complete payment in full on an application to purchase creditable service under section 105.985, RSMo, within the time limit prescribed by law may reapply to purchase creditable service for that same period of employment. The member may apply within the limits of the law to purchase creditable service for any other period of employment for which application to purchase creditable service was not previously made.

(7) For the purpose of determining eligibility for retirement as a result of the sum of a member's age and years of creditable service equaling eighty (80) years or more, the member's age shall be determined by adding the member's age on the date of his or her most recent birthday and the partial year following the member's most recent birthday. Such partial year shall be determined by converting the member's age to the nearest day into a number rounded to the nearest hundred-thousandth.

(8) For all elections to purchase credit received by the retirement system on or after January 1, 2006, the member shall receive credit based on the amount paid by the member for such credit and received by the retirement system by the close of business on June 30 of each year.

(9) In lieu of charging the member interest on elections to purchase credit received on or after January 1, 2006, the amount to be paid by the member for any remaining credit the member has elected to purchase, but has not paid for by September 30 of each calendar year, shall be recalculated on the following October 1 using the contribution rate in effect on July 1 of that same calendar year and the highest salary of record for the member as of that July 1.

(10) For all elections to purchase credit received by the

retirement system prior to January 1, 2006, the retirement system shall determine the cost of such purchase using the calculation method in effect for elections to purchase credit received by the retirement system on or after January 1, 2006, provided that the member shall have a one (1)-time, irrevocable option to continue to have the cost of such purchase be determined using the calculation method in effect at the time of such election to purchase such credit. To be effective, such option must be elected by the member on a form approved by the retirement system and such form must be received by the retirement system by the close of business on June 30, 2006.

(11) The retirement system may limit the amount of credit purchased by a member in any year if allowing such purchase would jeopardize the retirement system's tax qualified status under Title 26 of the *United States Code*.

*AUTHORITY: section 169.610, RSMo Supp. 2010.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Emergency amendment filed June 20, 1988, effective July 1, 1988, expired Oct. 28, 1988. Amended: Filed June 20, 1988, effective Sept. 29, 1988. Emergency amendment filed Aug. 24, 1988, effective Sept. 3, 1988, expired Jan. 1, 1989. Amended: Filed Aug. 24, 1988, effective Dec. 29, 1988. Amended: Filed Sept. 25, 1991, effective March 9, 1992. Amended: Filed Dec. 22, 1993, effective July 10, 1994. Amended: Filed June 14, 1996, effective Dec. 30, 1996. Amended: Filed Oct. 24, 1996, effective July 1, 1997. Amended: Filed Aug. 9, 1999, effective Feb. 29, 2000. Amended: Filed June 15, 2000, effective Dec. 30, 2000. Amended: Filed Feb. 14, 2002, effective July 30, 2002. Amended: Filed Sept. 1, 2005, effective Feb. 28, 2006. Amended: Filed July 20, 2010, effective Jan. 30, 2011. Amended: Filed Dec. 15, 2010, effective June 30, 2011. Amended: Filed June 30, 2011, effective Jan. 30, 2012.*

*\*Original authority: 169.610, RSMo 1965, amended 1977, 2005.*

#### **16 CSR 10-6.045 Payment for Reinstatement and Credit Purchases**

*PURPOSE: This rule complies with provisions of Chapter 169, RSMo, relating to the payments made of funds to the retirement system for reinstating and purchasing credit.*

(1) Payments to reinstate or to purchase credit shall be made in a manner acceptable to the Public Education Employee Retirement System of Missouri.

(A) Consistent with the *Internal Revenue Code*, the system may accept rollovers and in-service trustee-to-trustee transfers in payment for reinstatement and credit purchases provided that acceptance of any funds from any such authorized plan or account will not jeopardize the tax-qualified status of the retirement system and the money is from one (1) of the following:

1. A 401(a) tax-qualified plan (including a Keogh plan which meets additional requirements pertaining to owner-employees);
2. A 401(k) profit-sharing plan;
3. A 403(a) qualified-annuity plan;
4. A 408(a) individual retirement account (IRA) or a 408(b) individual retirement annuity to the extent that the IRA contains funds that have not previously been taxed;
5. A 403(b) qualified plan;
6. A state and local government 457(b) qualified plan;
7. Such other plans or accounts as may be authorized as a source of eligible funds under the *Internal Revenue Code*, provided that the system shall not be obligated to accept any



funds from any such authorized plan or account if the funds would jeopardize the tax-qualified status of the system; or

8. The member, if the amount was distributed to the member from a qualified plan, is rolled over by the member to the system within sixty (60) days of that distribution, and is accompanied by proof of rollover eligibility.

(B) The retirement system will accept, pursuant to section (1) above, only an amount of funds equal to or less than the balance due, including interest, for the reinstatement or purchase for which the member applied.

(2) The board of trustees prior to July 1 each year shall establish a “purchase rate” of interest based upon the actuarially-assumed annual rate of return on invested funds of the retirement system. The purchase rate shall apply to any amount due for reinstatement of credit or for the purchase of credit except as otherwise specified by law.

(3) A purchase shall be effected by the member paying to the retirement system the amount the member would have contributed and the amount the employer would have contributed had such member been an employee for the number of years for which the member is electing to purchase credit, and had the member’s compensation during such period been the highest annual salary rate on record with the retirement system on the date of election to purchase credit. The contribution rate used in determining the amount to be paid shall be the contribution rate in effect on the date of election to purchase credit.

(4) A reinstatement shall be effected by the member paying to the retirement system with interest the total amount of accumulated contributions withdrawn by the member or refunded to the member with respect to the service being reinstated. A member may reinstate less than the total service previously forfeited. If a member is retired on disability before completing such payments, the balance due with interest may be deducted from the member’s disability retirement allowance.

(5) The total amount of any payments made on an application for purchase or reinstatement that buys a minimum of one-one-hundred thousandth (0.00001) or more of credit shall be credited to the member’s accumulated contributions no later than the close of the school year in which payment is made in full or upon termination of membership.

(6) If payment to reinstate or purchase credit for which the member applies is not completed within the period, established by law, or prior to termination of membership within the retirement system, the amount paid will – a) be refunded to the member if proportional credit is not allowable; or b) be used to allow proportional credit where permissible, based on the relationship between the total principal due at application and the total of the payments applied to the principal, and the total amount paid will be credited to the member’s accumulated contributions. Unless proportional credit is not allowed, only payments purchasing less than the first one-one-hundred thousandth (0.00001) year of credit will be refunded. No other refunds will be permitted except as specifically stated in this regulation.

(7) If a member dies before retirement or retires on service or disability retirement after having made partial payments but not payment in full to reinstate or purchase credit, the partial payments will be refunded to the member’s beneficiary or the

retiree if proportional credit is not allowable by law or by rule of the board of trustees. If proportional credit is allowable, the payments will be credited to the member’s accumulated contributions and proportional credit will be allowed. If a member retires on disability retirement before completing payment for a reinstatement of credit only, the balance due with interest shall be deducted from the disability retirement allowance as provided by law. Only payments purchasing less than first one-one-hundred thousandth (0.00001) year of credit will be refunded.

(8) A member electing to reinstate or purchase membership service credit authorized by the laws governing the retirement system shall make the election to reinstate or purchase credit on a form provided by the retirement system and the reinstatement or purchase shall be effected through payment to the retirement system within the time period prescribed by law of the contributions due, together with interest computed at the purchase rate set by the board of trustees, in accordance with the provisions of 16 CSR 10-6.045(2).

(9) A member may not elect to purchase membership service credit from any source if the purchase would result in the member accruing more than one (1) year of membership service credit for any school year except as a result of the purchase of credit authorized by section 169.577, RSMo. Unless required to be allowed under federal law, a member cannot elect to purchase or claim credit for services outside of a district included in this retirement system, or to reinstate credit previously earned in this retirement system, for which the member is receiving or for which the member may, without additional services, become eligible to receive a benefit from another retirement system.

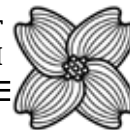
(10) A member who applies to reinstate or purchase credit must provide reliable documentation adequate to prove each element required to qualify for the reinstatement or purchase for which the member applies. Where the credit being purchased is based on a period of employment or a period of service covered by a retirement system, the documentation must include confirmation by the employer or retirement system of the relevant facts.

(11) Once a member has made application to reinstate or purchase service credit no additional application to reinstate or purchase such credit may be filed for the same period of employment unless the member terminates membership with the retirement system and subsequently reestablishes such membership.

(12) The purchase of creditable service pursuant to section 169.577, RSMo, shall be administered as follows:

(A) Any member will be considered “within five (5) years of being eligible to retire with a retirement allowance” if that person would be eligible to begin receiving a full or reduced retirement allowance from The Public Education Employee Retirement System, by virtue of accrual of five (5) or fewer years of creditable service or the passage of five (5) or fewer calendar years;

(B) The salary used in calculating the cost of creditable service purchased pursuant to section 169.577, RSMo, is not “compensation paid to a member” as that phrase is used in section 169.600(7), RSMo, and shall not be used in determining final average salary;



(C) Credit purchased shall be used for all purposes except vesting;

(D) The cost of the purchase shall be calculated pursuant to the provisions of 16 CSR 10-4.012;

(E) A purchase shall be made only in increments of at least one-one-hundred thousandth (0.00001) year and may not exceed five-tenths (0.5) year; and

(F) If the total payments made prior to termination of membership with the retirement system are insufficient to purchase all the credit for which the member applied, proportional credit shall be allowed based upon the ratio between the amount due for the entire period for which election to purchase was made and the total amount of the payments applied to reduce the principal amount due, but only in increments of one-one-hundred thousandth (0.00001) year. The amount of partial payments not used to purchase credit or pay interest shall be refunded.

(13) Members electing to reinstate or purchase credit may make payments in any amount and at any time during the period allowed for payment.

(14) “Public college” as that phrase is used in section 169.655.3, RSMo, and “private college” as that phrase is used in section 169.655.9, RSMo, shall include junior colleges and community colleges either inside or outside of Missouri. “Private school, college, or university” as that phrase is used in section 169.655.9, RSMo, shall not include trade schools.

(15) The following provisions shall apply to the purchase of creditable service under section 105.691, RSMo:

(A) A member may elect to purchase creditable service under section 105.691, RSMo, only if the member had previously acquired creditable service in a retirement plan defined in that section for the employment to which the election applies; except that if the service did not meet the membership requirements of the employer’s retirement plan or the employer had no such retirement plan at the time the service was rendered, but the service would otherwise have met the membership requirements of this system as in effect when the election is made, the member shall be eligible to purchase such creditable service. The creditable service allowable shall be determined in accordance with the provisions of section 105.691, RSMo, and the rules of the board of trustees; and

(B) A member who does not complete payment in full on an application to purchase creditable service under section 105.691, RSMo, within the time limit prescribed by law may reapply to purchase creditable service for that same period of employment. The member may apply within the limits of the law to purchase creditable service for any other period of employment for which application to purchase creditable service was not previously made.

(16) Unless otherwise required by law, membership service credit purchased under the laws governing the retirement system cannot be used to establish eligibility for benefits under sections 169.600 to 169.715, RSMo, but such purchased credit may be used in computing the value of any benefits to which a member would otherwise qualify under those sections.

(17) Unless a different amount is required by law, members must have accrued at least one (1) year of membership service credit for employment in a position covered by the retirement system in order to apply to purchase service credit.

(18) The salary used in calculating the cost of creditable service purchased is not compensation payable to a member as that phrase is used in section 169.600(7), RSMo, and shall not be used in determining final average salary.

(19) Unless otherwise required by law, if the total payments made within the time allowed to purchase credit is insufficient to purchase all the credit for which the member applied, proportional credit shall be allowed based on the ratio between the amount due for the entire period for which the member applied and the total amount of the payments applied to reduce the principal amount due.

(20) A member electing to purchase membership service credit for service in the armed forces may purchase one (1) year of credit for each twelve- (12-) month period of such service. For any such period of service in the armed forces of less than twelve (12) months, the member shall receive proportional credit computed to the nearest one-one-hundred thousandth (0.00001) of a year; provided that if the member entered active duty in the armed forces no later than the date on which the member’s services were to have begun under an employment agreement with a district included in the retirement system, and if the total period of active military service that year would have entitled the member to a year of creditable service had that service been rendered with the district, the member shall be eligible to purchase a full year of credit. No more than one (1) year of membership service credit shall be allowed for service in the armed forces or for a combination of service in the armed forces and actual service in a district included in the retirement system, for any one (1) school year.

(21) The following provisions apply with respect to a purchase of credit for maternity or paternity leave pursuant to section 169.655, RSMo:

(A) A period of leave shall be considered maternity or paternity leave for which membership service credit may be purchased if –

1. The leave was unpaid;
2. The leave related to a natural birth or legal adoption;
3. The member was employed in a position covered by The Public Education Employee Retirement System at the time the leave relating to the initial natural birth or legal adoption began;
4. The member provides written confirmation that the leave was maternity or paternity leave;
5. The member provides a copy of a birth certificate, certification of adoption, or physician’s certification which indicates that the event occurred within a reasonable time before or after the period of maternity or paternity leave began; and
6. The member returns to employment in a position covered by The Public Education Employee Retirement System;

(B) The maternity or paternity leave for which membership service credit may be purchased shall terminate upon the member’s return to covered employment and may not exceed one (1) year for each natural birth or legal adoption; and

(C) A member may elect to purchase some or all of the period of maternity or paternity leave for which the member is eligible.

(22) A purchase of credit for Social Security covered employment pursuant to section 169.655.11, RSMo, shall be allowed only in a manner consistent with Title 26 of the *United States Code* and, in addition, shall be governed by the following provisions:





(A) The member must have five (5) years of creditable service with the retirement system prior to purchasing credit for Social Security covered employment pursuant to section 169.655.11, RSMo;

(B) The retirement system shall allow the purchase of no more than five (5) years of credit for “nonqualified service” as that term is defined in section 415 of Title 26 of the *United States Code* if doing so would jeopardize the tax qualified status of the retirement system pursuant to the *Internal Revenue Code* and the retirement system determines that the provisions of section 415(n) of Title 26 of the *United States Code* apply to the purchase of such member’s purchase;

(C) The member must supply evidence satisfactory to the retirement system that the member is eligible to purchase credit for Social Security covered employment pursuant to section 169.655.11, RSMo;

(D) The member must submit to the retirement system a detailed statement of the member’s employment history created by the Social Security Administration in a format satisfactory to the retirement system; and

(E) The retirement system shall determine the amount of credit that may be purchased for Social Security covered employment pursuant to section 169.655.11, RSMo, based on the information provided pursuant to this section of this rule.

*AUTHORITY: section 169.610, RSMo Supp. 2013.\* Original rule filed June 15, 1994, effective Nov. 30, 1994. Amended: Filed June 14, 1995, effective Dec. 30, 1995. Amended: Filed Aug. 15, 1996, effective Feb. 28, 1997. Amended: Filed Oct. 24, 1996, effective April 30, 1997. Amended: Filed Oct. 25, 1999, effective April 30, 2000. Amended: Filed Oct. 30, 2000, effective May 30, 2001. Amended: Filed Aug. 15, 2001, effective Feb. 28, 2002. Amended: Filed Aug. 29, 2003, effective Feb. 29, 2004. Amended: Filed Sept. 1, 2005, effective Feb. 28, 2006. Amended: Filed June 30, 2011, effective Jan. 30, 2012. Amended: Filed July 2, 2012, effective Dec. 30, 2012. Amended: Filed April 30, 2014, effective Oct. 30, 2014.*

*\*Original authority: 169.610, RSMo 1965, amended 1977, 2005.*

### **16 CSR 10-6.050 Prior Service Credit**

*PURPOSE: This rule sets forth procedures for claiming and verifying credit for services rendered prior to the establishment of the retirement system on October 13, 1965.*

(1) On a form supplied by the board of trustees, each member claiming prior service credit shall file with the board of trustees a statement of all services performed by him/her in the public schools of Missouri prior to October 13, 1965, for which credit is claimed, and the services shall be listed separately by years.

(2) All claims for prior service credit by members shall be verified by one (1) of the following means:

(A) A statement from a school or county official having custody of the records; or

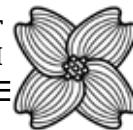
(B) When no official records are existent for service claimed, by affidavits from not fewer than two (2) persons having first-hand knowledge of the service, preferably persons who served with the individual or who were members of the board of directors of the district at the time.

(3) Any member who qualifies for prior service credit, and who files a claim for such credit prior to July 1, 1983, or within two (2) years after employment in a position covered by the

retirement system, whichever is later, and in accordance with the regulations of the board of trustees, shall be allowed credit to the extent to which the claim is approved by the board of trustees. Prior service credit shall be allowed on a year or fraction-of-year basis, computed to the nearest tenth of a year. A member who served the complete term of employment of the member’s position within a school year shall receive one (1) year of prior service credit. A member who served for less than the complete term of employment within a school year shall receive a partial year of prior service credit, calculated by dividing the number of months served by the number of months in the term of employment. If not otherwise determinable, a term of employment shall be deemed to be nine (9) months in length. No more than one (1) year of prior service credit shall be allowed for one (1) school year and service in one (1) school year shall not be creditable to another year. It is further provided that, should the application of this rule for any member whose retirement becomes effective at any time during the period July 1, 1988 through June 30, 1993 result in a lesser benefit than under the rule in effect on June 30, 1988, then the benefit which would have been payable under the previous rule shall be paid.

*AUTHORITY: section 169.610, RSMo 1986.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Rescinded and readopted: Filed Sept. 11, 1981, effective Dec. 11, 1981. Emergency amendment filed June 20, 1988, effective July 1, 1988, expired Oct. 28, 1988. Amended: Filed June 20, 1988, effective Sept. 29, 1988.*

*\*Original authority: 169.610, RSMo 1965, amended 1977.*



**The Non-Teacher School Employee Retirement System of Missouri**  
**SPECIAL CERTIFICATION**  
For Employees Electing to Acquire Leave Credit  
Under Section 169.595 RSMO Supp. 1988

(See instructions for completion on reverse side)

(1)	(2)	(3)		(4)	(5)	(6)	(7)
Membership Number	Name	Leave Type (check one)		No. of Leave Days For Which Contributions Are Remitted	Salary Rate (hourly, weekly or monthly)	Salary on Which Leave Contributions Were Based	Total Cont. (memb. + dist.) on Acquired Leave
		Sick Lv.	*Wkrs. Comp.				

\*If the district is paying a portion of the member's earnings while on leave and Workers' Compensation is paying the remainder, indicate the amount paid by each.

I certify that the employees named above were on approved leave under this school district's sick leave provision or under Workers' Compensation during the month of \_\_\_\_\_, 19\_\_\_\_; that they were on leave from positions which qualify them for membership in The Non-Teacher School Employee Retirement System of Missouri; that the above information is taken from the official records of this school district; and that to my best knowledge and belief none of those named attained age 65 during the month to which this certification applies.

\_\_\_\_\_  
Signature of Designated School Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
School District

\_\_\_\_\_  
County



**16 CSR 10-6.055 Uniformed Services Employment and Reemployment Rights Act**

*PURPOSE: This rule explains how the Uniformed Services Employment and Reemployment Rights Act (USERRA) applies to the retirement system.*

(1) The following provisions shall apply when a member of the retirement system is reemployed by an employer included in the system pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and its successors:

(A) When a member applies to purchase USERRA leave, the system will require written confirmation from the member's employer of the period covered and the salary that would apply, which will be included on the Application to Purchase Leave (application) to be submitted by the member;

(B) A period covered by USERRA will not be a break in service for purpose of termination of membership and will count toward vesting and retirement eligibility, but not toward benefit calculation unless the member elects to pay required contributions as provided in this regulation;

(C) A member may elect, within five (5) years of reemployment, to pay the system the employee contributions the member would have made, using the contribution rates and salary that would have applied during the period, as required by USERRA;

(D) Where the member has elected to pay employee contributions under USERRA, the employer reemploying the member is required under federal and state law to pay the contributions the employer would have paid, using the contribution rates and salary that would have applied during the period and interest on the contributions at the "purchase rate" (see 16 CSR 10-6.045(2)), with interest beginning to accrue the first day of the month following the month in which the member submits an application to the system;

(E) The employer shall pay the employer contributions and interest no later than the end of the school year following the year in which the employee files an election to make the employee contributions. Any employer contributions that are paid to the system, but for which the corresponding employee contributions are never paid, shall be credited back to the employer, plus interest at the assumed rate of return on invested funds of the system when the member retires, dies, or terminates membership with the system;

(F) Payment of employee contributions may be made without interest;

(G) Payment of employee contributions must be completed prior to the member's retirement, termination of membership with the retirement system, or death. If the member fails to complete payment of the employee contributions during the period allowed, proportional credit shall be allowed based on the ratio between the amount due for the entire period and the total amount of the payments made and to the nearest one-hundred thousandth (0.00001) of one (1) year;

(H) The maximum creditable service that may be purchased pursuant to USERRA is five (5) years per membership; and

(I) An application to purchase USERRA leave may not be filed after the member's retirement, termination of membership in the system, or death.

(2) Any member who becomes disabled while on qualified military service pursuant to USERRA shall be treated as if they were serving an employer included in the system and shall be eligible for disability retirement with the system provided that

all other requirements for disability retirement, as set forth in section 169.663, RSMo, and 16 CSR 10-6.070 are met.

*AUTHORITY: section 169.020, RSMo Supp. 2013.\* Original rule filed April 30, 2014, effective Oct. 30, 2014.*

*\*Original authority: 169.020, RSMo 1945, amended 1951, 1953, 1967, 1973, 1983, 1990, 1995, 1996, 1998, 2005, 2009, 2013.*

**16 CSR 10-6.060 Service Retirement**

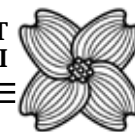
*PURPOSE: This rule provides for retirement, return to service, and limitations on employment in a member district as authorized by section 169.670, RSMo.*

(1) The earliest date on which retirement may become effective is the first day of the calendar month following the calendar month in which the services of the member are terminated, or the first day of the calendar month following the filing of the application for retirement, whichever is later; except that the earliest date on which retirement may become effective for a member who receives a year of membership service credit for the final school year in which the member serves shall be July 1 next following the member's last day of service. Termination from employment covered by the retirement system prior to the effective date of retirement is required to be eligible for a retirement benefit. A member shall not be deemed to have terminated employment if the member is employed in any capacity by an employer covered by the retirement system within one (1) month after his or her effective date of retirement. Effective July 1, 2016, a member shall not be deemed to have terminated employment if, prior to receipt of his or her first benefit payment, the member reaches an agreement, whether written or unwritten, for future employment in any capacity by an employer covered by the retirement system. The member shall be required to repay any benefit payments paid if it is determined that the member did not terminate employment covered by the retirement system.

(2) If a retiree receiving a retirement allowance returns to active service, his/her retirement allowance shall cease, s/he shall become a new member of the retirement system and s/he shall make contributions to the system. Upon a subsequent termination of his/her services, payment of his/her previously determined retirement allowance shall be resumed.

(3) A retirement allowance shall not be paid a retiree for any month in which compensation is earned for services as a regular employee of a school district included in the system.

(4) A retiree may serve as an employee of a district included in the system on a part-time or temporary-substitute basis not to exceed five hundred fifty (550) hours in a school year and continue to receive a retirement allowance. To be considered as serving on a temporary-substitute basis, a person must be serving for a regular employee who is temporarily absent or in a position which is temporarily vacant. The employer covered by the Public Education Employee Retirement System of Missouri (PEERS) and the retiree shall maintain a log of all dates worked, hours worked, wage earned, and the employer in substantially the same form as provided below. The employer and retiree shall provide a copy of the work log upon request of retirement system.



<b>Employee Name:</b>		<b>School Year:</b>	
Date Worked	Hours Worked	Wage Earned	Employer

The working after retirement limits set forth in section 169.660.2, RSMo, shall be applied on a *pro rata* basis as provided below to a retiree’s hours of work during the school year in which the retiree’s date of retirement is effective.

Effective date of retirement	Hours allowed after retirement for school year
July 1	550
August 1	504
September 1	458
October 1	413
November 1	367
December 1	321
January 1	275
February 1	229
March 1	183
April 1	138
May 1	92
June 1	0

(5) Effective July 1, 2022, and until June 30, 2025, pursuant to section 168.036.6, RSMo, and notwithstanding any other provisions to the contrary, any person retired and currently receiving a retirement benefit under sections 169.600 to 169.715, RSMo, other than for disability, may be employed to substitute teach on a part-time or temporary substitute basis by an employer included in the retirement system and for such work may exceed five hundred fifty (550) hours in any one (1) school year without a discontinuance of the retiree’s retirement allowance. For purposes of administering this section as applicable to PEERS retirees, to substitute teach shall mean to instruct or guide the studies of students in a teaching position which requires a Department of Elementary and Secondary Education (DESE)-issued certificate in place of a regularly employed teacher who is temporarily unavailable. For community colleges, to substitute teach shall mean to instruct or guide the studies of students in a teaching position certified by the executive officer of the institution pursuant to section 169.140, RSMo, in place of a regularly employed teacher who is temporarily unavailable. A regularly employed teacher is considered temporarily unavailable when the teacher’s position is unfilled due to the absence of the regular or former teacher for twelve (12) months or less.

(6) Effective July 1, 2015, for any employment teaching at a community college included in the system, each credit hour taught by a retired member will be the equivalent of thirty (30) hours for the purposes of this rule and section 169.560, RSMo, regardless of the number of hours actually worked by the retired member related to the course(s) taught. For any said course(s) taught during summer session, all hours for said course(s) shall be counted as having occurred during the school year in which the course(s) commence. Any hours worked performing additional duties for a community college not related to said course(s) for which a retired member receives compensation above and beyond that received for teaching said course(s) shall be counted on a hour-by-hour basis for the purposes of this rule and section 169.560, RSMo.

(7) A member electing Option 2, Option 3, or Option 4 in his/her application for service retirement shall furnish proof of date of birth of the person nominated to receive the survivorship payments.

(8) A member electing Option 2, Option 3, or Option 4 in his/her application for service retirement shall indicate the relationship establishing an insurable interest in his/her life for the person nominated and, if requested by the board, shall furnish evidence of the existence of the insurable interest. An insurable interest shall be considered to exist because of the relationship to a member of a wife, husband, father, mother, child (including a stepchild or adopted child), or any other person who has a financial interest in the continued life of the member or who is dependent upon the member for all or part of his/her support.

(9) Any member retiring under the provisions of section 169.563, RSMo, shall have the same rights of retirement benefit plan election as a member retiring under section 169.670, RSMo. Further, the surviving spouse of any member who dies prior to retirement and while eligible to retire under section 169.563, RSMo, shall have the same survivorship benefit rights as provided under section 169.670, RSMo.

(10) Any actuarial adjustment to a retirement allowance payment made because of the nomination of a successor beneficiary as provided in 169.715, RSMo, shall take effect in the month a properly completed nomination of successor beneficiary form is received by the Retirement System or the month of the retiree’s marriage to the successor beneficiary, whichever occurs later. The nomination of a successor beneficiary shall be effective immediately upon receipt by the Retirement System of the properly completed nomination of successor beneficiary form or the date of the retiree’s marriage to the successor beneficiary, whichever occurs later. Effective August 28, 2017, the properly completed nomination of successor beneficiary form submitted pursuant to section 169.715, RSMo, must be received by the Retirement System within one (1) year of remarriage of the retirement member and the new spouse.

(11) The effective date of any monthly benefit to a service retiree shall be the first day of the calendar month following the event establishing eligibility for the benefit, assuming all other requirements of the law and rules of the board of trustees have been met. Monthly benefit payments shall be made on the last day of each calendar month and shall be only for complete months. The initial payment shall include all benefits accrued since the effective date.

(12) A qualified member who desires to elect retirement Option 7 “Accelerated Payment Option” must do so in accordance with the terms, conditions, and limitations of this paragraph and section 169.670, RSMo.

(A) By selecting the Accelerated Payment Option, the member is electing to utilize the retirement allowance the member is eligible to receive from this retirement system in conjunction with the retirement benefit the member is eligible to receive from the federal Social Security Administration commencing at the minimum Social Security retirement age (as established by law at the time the Accelerated Payment Option is elected), in order to receive from the two (2) systems combined, and within the limitations noted herein, level or near level monthly retirement benefits during the member’s retirement.



(B) Under the Accelerated Payment Option, the member must select a benefit payment plan authorized by section 169.670, RSMo, for which the member qualifies, including the options for reduced monthly benefit payments for life (with continuing payments to a designated beneficiary), but the amount of the benefit payment the member would otherwise be eligible to receive under the plan selected will be modified in the manner described herein.

1. The retirement allowance paid to the member by this retirement system under the Accelerated Payment Option will be actuarially equivalent to the retirement allowance the member would normally receive under the benefit payment plan selected, but to facilitate level or near level monthly benefit payments during retirement in the manner described herein, the member agrees to accept a plan of monthly benefit payments from this retirement system that will vary in amount, depending on the age of the member.

A. By electing the Accelerated Payment Option, the member agrees to accelerate payment of a portion of the member's retirement allowance to the early months of retirement, but as a consequence, and in order to maintain actuarial equivalence, the member further agrees to receive a reduced benefit payment amount over the remainder of the retirement period.

B. Under the Accelerated Payment Option, from the effective date of retirement from this retirement system until the retiree reaches the minimum Social Security retirement age (as established by law at the time the Accelerated Payment Option is elected), the retiree will receive a larger monthly benefit payment from this retirement system than would otherwise be paid under the benefit payment plan selected by the retiree. Upon reaching the minimum Social Security retirement age (as previously defined), the retiree will receive a smaller monthly benefit payment from this retirement system than would otherwise be paid under the benefit payment plan selected by the retiree.

2. The amount of the variable monthly benefit payment received from this retirement system will be actuarially determined by the retirement system using the benefit payment plan selected by the member and the member's projected retirement benefit from Social Security at the minimum eligible retirement age (as established by law at the time the Accelerated Payment Option is elected). The actuarial calculation will identify the necessary increase over and reduction below the monthly benefit otherwise payable under the benefit payment plan selected by the member, so that in conjunction with the monthly retirement benefit the member is eligible to receive from Social Security commencing at the minimum retirement age (as established by law at the time the Accelerated Payment Option is elected), the member can potentially receive level or near level monthly benefit payments during the member's retirement.

3. The plan of variable monthly benefit payments from this retirement system under the Accelerated Payment Option contemplates that the retiree will apply for and begin receiving retirement benefits from Social Security at the minimum Social Security retirement age set by law at the time the Accelerated Payment Option is elected, but nothing herein or in section 169.670, RSMo, shall be construed as a promise or guarantee by this retirement system that the Social Security Administration will make such payments, or that any payments made will comport with the estimate of projected Social Security benefits used to calculate the variable monthly benefits from this retirement system, or that such payments will commence at the time originally identified by the Social Security Administration.

Similarly, nothing herein or in section 169.670, RSMo, shall be construed as a promise or guarantee that this retirement system will make up any shortfall in Social Security benefits from those projected at the time the Accelerated Payment Option is elected, or that this retirement system has any obligations other than those expressly assumed herein to assure a stream of level or near level monthly retirement benefits. It shall be the sole responsibility of the retiree and the Social Security Administration, respectively, to secure and/or pay Social Security retirement benefits sufficient to combine with the plan of variable retirement benefits available from this system to yield a level or near level stream of monthly benefit payments during retirement. Neither a failure by the retiree or the Social Security Administration to fulfill their respective obligations, nor a subsequent change in the minimum Social Security retirement age, will nullify the retiree's election of the Accelerated Payment Option or compel recalculation of the plan of variable monthly benefits determined at the time of election.

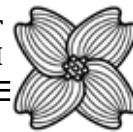
4. The retirement allowance the member is eligible to receive from this retirement system will determine the capacity of the Accelerated Payment Option to effectively provide level or near level monthly benefit payments for a retiree in the manner described herein. Some members may not be eligible for sufficient benefits to achieve a meaningful leveling of benefit payments under the Accelerated Payment Option and a member must exercise independent judgement in deciding whether the Accelerated Payment Option is appropriate in light of the member's particular circumstances. Nothing in this paragraph or in section 169.670, RSMo, shall be construed as a promise or guarantee by this retirement system that the Accelerated Payment Option will provide a level or near level combination of benefit payments for all retirees, and in no case will the necessary adjustments to the monthly benefit otherwise payable under the plan selected by the member cause the amount to be paid when the member reaches the minimum Social Security retirement age (as established by law at the time the Accelerated Payment Option is elected) to be less than twenty-five percent (25%) of the member's original, non-adjusted benefit (i.e., the monthly benefit that would otherwise be payable under the benefit payment plan selected by the member).

5. If the retiree selects a benefit payment plan that provides for the payment of retirement benefits to a beneficiary upon the retiree's death, the amount of the beneficiary's payment in any particular month will be established by determining the monthly benefit amount the retiree would have received under the Accelerated Payment Option were the retiree still living, and then incorporating any reduction from that benefit level, if appropriate, based on the benefit payment plan selected by the retiree.

(C) The provisions in section 169.670, RSMo, and 16 CSR 10-6.100 concerning the right to receive a cost-of-living adjustment (COLA), the amount of any COLA, and any other limitations concerning COLAs shall apply with equal effect to benefits paid under the Accelerated Payment Option, except as follows:

1. Any COLA the retiree is eligible to receive will be based on the amount of the monthly benefit payable by this retirement system when the COLA takes effect; and

2. If a retiree has received COLAs prior to reaching the minimum Social Security retirement age (as established by law at the time the Accelerated Payment Option is elected), the reduced benefit paid by this retirement system from that point forward will include only that percentage of the previously awarded COLAs that would have been earned by the benefit



amount payable after the retiree reaches the Social Security minimum retirement age (as previously defined).

(D) Limitations on and other provisions concerning post-retirement employment found in this rule and in Chapter 169, RSMo, shall apply with equal effect to a retiree under the Accelerated Payment Option, except as follows:

1. If a retiree under the Accelerated Payment Option subsequently returns to employment covered by this retirement system, benefit payments will be suspended, and the retiree's covered service will recommence under a new membership;

2. While the retirement benefits are suspended, they will continue to accrue COLAs based on the benefit that would have been paid to the retiree had the individual not returned to covered employment;

3. When the individual terminates covered employment and is again eligible to begin receiving retirement benefits, the retirement system will recalculate and, if necessary, adjust the amount of the prospective benefit payments under the Accelerated Payment Option to assure that they remain actuarially equivalent to the benefit payment plan selected at the time of the original retirement; and

4. A retiree under the Accelerated Payment Option who returns to covered employment and thereby qualifies for a second benefit based on the new membership may not elect the Accelerated Payment Option for the second benefit.

(E) A member who wishes to elect to receive retirement benefits under the Accelerated Payment Option, or who wants to receive an estimate of benefits under the Accelerated Payment Option, must provide the retirement system with a written estimate of the member's projected Social Security retirement benefit at the minimum eligible retirement age (as then in effect), prepared and issued by the Social Security Administration. The Social Security benefit estimate must have been issued no more than one hundred eighty (180) days prior to the date of the application for retirement or the date of the request for an Accelerated Payment Option benefit estimate. The Social Security benefit estimate must identify the projected retirement benefits for the member only, and may not include any benefits that could accrue to the member from a spouse, family member, or some other source.

(F) If a member dies prior to retirement, the member's surviving spouse cannot elect to receive benefits from this retirement system under the Accelerated Payment Option.

(13) Any person who is receiving or has received a retirement allowance from the system, other than a disability retirement allowance, who returns to employment in a position covered by the system shall undertake such employment under a new and separate membership in the system.

(A) Such person shall be eligible for a subsequent retirement allowance after one (1) year of creditable service under the new membership in the system. Such subsequent retirement allowance shall be separate and distinct from such person's previous retirement allowance.

(B) After earning at least one (1) year of creditable service and upon termination of employment under the subsequent membership with the system, such person may – 1) withdraw from the system and receive a refund of the person's contributions made during the subsequent membership; 2) apply for a subsequent retirement allowance; or 3) leave the contributions with the system.

(C) Such person shall not receive a retirement allowance for any previous membership service while the person is earning creditable service under a subsequent membership with the system.

(D) All previous years of creditable service, not otherwise forfeited, will be considered to determine the formula factor, which may include the temporary allowance provided in section 169.671.1(5), RSMo, to be used in calculating the subsequent retirement allowance.

(14) In addition to the retirement allowance provided in section 169.670.1(1)–(3), RSMo, a member retiring on or after July 1, 2000, whose creditable service is thirty (30) years or more or whose sum of age and creditable service is eighty (80) years or more, shall receive a temporary retirement allowance equivalent to four-tenths (4/10) of one percent (1%) of the member's final average salary multiplied by the member's years of service until such time as the member reaches minimum retirement age for Social Security retirement benefits ("minimum Social Security retirement age"), subject to the terms, conditions, and limitations of this rule.

(A) "Minimum Social Security retirement age" is the minimum age at which the retiree would be eligible to receive reduced Social Security retirement benefits. If otherwise eligible, a retiree shall receive the temporary retirement allowance until the retiree first attains minimum Social Security retirement age as that age is periodically adjusted by the Social Security Administration, but in no event shall the temporary retirement allowance terminate prior to the earlier of the retiree's death or the retiree's attainment of age sixty-two (62).

(B) To receive the temporary retirement allowance, the member must select a benefit payment plan authorized by section 169.670, RSMo, for which the member qualifies, which may include an option for reduced monthly benefit payments for life, with continuing payments to a designated beneficiary.

1. A retiree who elects Option 1 shall receive the temporary retirement allowance until the earlier of the retiree's death or the time at which the retiree attains minimum Social Security retirement age, provided that in no event shall the temporary retirement allowance terminate prior to the earlier of the retiree's death or the retiree's attainment of age sixty-two (62).

2. A retiree who elects Option 2, 3, 4, or 7 shall receive the temporary retirement allowance, as actuarially reduced pursuant to section 169.670.4, RSMo, in the same manner as described in this rule, provided that if the retiree dies prior to reaching minimum Social Security retirement age, such temporary retirement allowance shall be paid to the retiree's designated beneficiary (as adjusted pursuant to the retiree's elected option) until such time as the retiree would have reached the minimum Social Security retirement age had the retiree lived.

3. A retiree who elects Option 5 or 6 shall receive the temporary retirement allowance, as actuarially reduced pursuant to section 169.670.4, RSMo, in the same manner as described in this rule, provided that if the retiree dies prior to reaching minimum Social Security retirement age, such temporary retirement allowance shall be paid to the retiree's designated beneficiary until such time as the retiree would have reached minimum Social Security retirement age had the retiree lived or until the payments to the retiree's beneficiary would otherwise terminate pursuant to Option 5 or 6, whichever occurs first.

(C) By accepting the temporary retirement allowance, the retiree agrees to receipt of a retirement allowance that may decrease substantially when the retiree reaches minimum Social Security retirement age and further, that such decrease will be magnified if the retiree elected Option 7. By accepting the temporary retirement allowance, the retiree agrees that the payment of the temporary retirement allowance is not



designed to provide for equal or substantially equal retirement allowance payments throughout the retiree's life when such payments are received in conjunction with Social Security benefits or otherwise. Nothing herein or in section 169.670, RSMo, shall be construed as a promise or guarantee by this retirement system that the Social Security Administration will make any payments, or that any payments made, when added to the retiree's retirement allowance, will result in equal or substantially equal payments throughout the retiree's life or the life of any named beneficiary, or that this retirement system has any obligation to assure a stream of equal or substantially equal monthly retirement benefits. It shall be the sole responsibility of the retiree and the Social Security Administration, respectively, to secure or pay Social Security retirement benefits. Neither a failure by the retiree or the Social Security Administration to fulfill their respective obligations, nor a subsequent change in the minimum Social Security retirement age shall compel this retirement system to recalculate the monthly benefits determined at the time of the retiree's election of a retirement option pursuant to section 169.670, RSMo.

(D) The provisions in section 169.670, RSMo, and 16 CSR 10-6.100 concerning the right to receive a cost-of-living adjustment ("COLA"), the amount of any COLA, and any other limitations concerning COLAs shall apply with equal effect to the temporary retirement allowance, except as follows:

1. Any COLA the retiree is eligible to receive will be based on the amount of the monthly benefit payable by this retirement system when the COLA takes effect; and

2. If a retiree has received COLAs prior to reaching the minimum Social Security retirement age, the reduced retirement allowance paid by Public Education Employee Retirement System (PEERS) from that point forward will include only that percentage of the previously awarded COLAs that would have been earned by the benefit amount payable after the retiree reaches the minimum Social Security retirement age.

(E) Limitations on and other provisions concerning post-retirement employment found in this rule and in Chapter 169, RSMo, shall apply with equal effect to a retiree receiving a temporary retirement allowance, except as follows:

1. If a retiree receiving a temporary retirement allowance subsequently returns to employment covered by this retirement system, benefit payments will be suspended, and the retiree's covered service will commence under a new membership;

2. While the retirement benefits are suspended, they will continue to accrue COLAs based on the benefit that would have been paid to the retiree had the retiree not returned to covered employment;

3. A retiree receiving a temporary retirement allowance who returns to covered employment and thereby qualifies for a second benefit based on the new membership may receive a temporary retirement allowance as part of the retiree's subsequent benefit if eligible pursuant to section 169.561, RSMo, and sections (12) and (13) of this rule.

(F) If a member dies prior to retirement, a beneficiary eligible to receive monthly benefits pursuant to 169.670.4(2), RSMo, is eligible to receive a temporary retirement allowance if the member would have been eligible to receive the temporary retirement allowance. The temporary retirement allowance paid to such beneficiary shall be administered in the same manner as if the member had retired and elected Option 2 of section 169.670.4(2), RSMo.

(15) Pursuant to section 169.596, RSMo, a person receiving

a retirement benefit from the Public Education Employee Retirement System of Missouri (PEERS) may be employed up to full-time for no more than twenty-four (24) months for a PEERS-covered school district without a suspension of his or her retirement benefit provided that such school district certifies that it has met the requirements set forth in section 169.596, RSMo, and provided that such school district does not exceed the limit on the number of PEERS retirees that may be hired pursuant to section 169.596, RSMo.

(A) As used in section 169.596.2, RSMo, "full-time" shall mean "regularly employed" as defined in 16 CSR 10-6.010(1).

(B) As used in section 169.596, RSMo, "early retirement incentive" shall have the same definition as "consideration for agreeing to terminate employment" provided in 16 CSR 10-3.010(9)(B)6., except that it shall not include retirement notice or separation notice incentives of total value of five thousand dollars (\$5,000) or less for providing notice of intent to retire or separate employment.

(C) The school district shall notify PEERS in a manner acceptable to PEERS of the school district's intent to hire a PEERS retiree under section 169.596, RSMo, prior to the first date of such employment.

(D) A school district hiring a PEERS retiree under section 169.596, RSMo, shall certify to PEERS through the Online Automated System Integrated Solution (OASIS) or in another manner acceptable to PEERS that –

1. It has met the requirements of section 169.596, RSMo; and

2. It has not exceeded the limit on the number of PEERS retirees it may hire under section 169.596, RSMo.

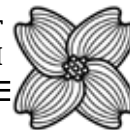
(16) If the designated joint and survivor beneficiary of a retiree who elected Option 2, 3, or 4 dies before the retired member, the retired member's retirement allowance will be increased to the amount the retired member would be receiving had the retired member elected Option 1. The increase in retirement allowance shall be effective the month of the beneficiary's death.

(17) Any member receiving a retirement allowance from the Public Education Employee Retirement System of Missouri who elected a reduced retirement allowance under subsection 4 of section 169.670, RSMo, who, at the time of that election, named his or her spouse as the nominated beneficiary may have the retirement allowance increased to the amount the retired member would be receiving had the retired member elected Option 1 under the following circumstances:

(A) Where the marriage of the retired member and the nominated spouse was dissolved on or after September 1, 2017, the dissolution decree must clearly provide for sole retention by the retired member of all rights in the retirement allowance to the satisfaction of the Public Education Employee Retirement System of Missouri;

(B) Where the marriage of the retired member and the nominated spouse was dissolved prior to September 1, 2017:

1. If the dissolution decree clearly provides for sole retention by the retired member of all rights in the retirement allowance to the satisfaction of the Public Education Employee Retirement System of Missouri, the parties must either obtain an amended or modified dissolution decree after September 1, 2017, that provides for the immediate removal of the nominated spouse, or the nominated spouse must sign a notarized statement on a form designated by the Public Education Employee Retirement System of Missouri consenting to his or her immediate removal as the nominated beneficiary and disclaiming all rights to



future benefits;

2. If the dissolution decree does not clearly provide for sole retention by the retired member of all rights in the retirement allowance to the satisfaction of the Public Education Employee Retirement System of Missouri, the parties must obtain an amended or modified dissolution decree after September 1, 2017, which provides for sole retention by the retired member of all rights in the retirement allowance;

(C) The retired member and the nominated spouse must have been married at the time of the election of the reduced retirement allowance under subsection 4 of section 169.670, RSMo;

(D) In order to receive the increased retirement allowance, a retired member who elected a term certain plan under subsection 4 of section 169.670, RSMo, must have named his or her spouse as the primary beneficiary at the time of retirement. The increased retirement allowance shall continue for the remainder of the retired member's lifetime and no provisions of the term certain plan shall continue to apply to the retired member. All beneficiaries nominated by the retired member under the term certain plan shall be void, and the retired member must name new beneficiaries for any accumulated contributions payable upon the retired member's death. The retired member shall not be eligible to nominate a new spouse pursuant to section 169.715, RSMo;

(E) A retired member who elected the Option 7 Accelerated Payment Option in conjunction with a reduced retirement allowance under subsection 4 of section 169.670, RSMo, upon application for the increased retirement allowance pursuant to section 169.715, RSMo, will have his or her retirement allowance increased to the amount he or she would receive had he or she elected Option 1 in conjunction with the Option 7 Accelerated Payment Option; and

(F) Any such increase in the retirement allowance shall be effective upon the receipt of an application for such increase, including the nominated spouse's consent and disclaimer form, if required, and a certified copy of the decree of dissolution (and separation agreement, if applicable) that meets the requirements of this section. The increased retirement allowance will be paid prospectively only after receipt of all of the aforementioned documents. No retroactive benefits will be paid.

*AUTHORITY: section 169.610, RSMo 2016.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Amended: Filed Aug. 11, 1977, effective Nov. 15, 1977. Emergency amendment filed June 20, 1988, effective July 1, 1988, expired Oct. 28, 1988. Amended: Filed June 20, 1988, effective Sept. 29, 1988. Emergency amendment filed Aug. 24, 1988, effective Sept. 3, 1988, expired Jan. 1, 1989. Amended: Filed Aug. 24, 1988, effective Dec. 29, 1988. Amended: Filed June 29, 1993, effective Dec. 9, 1993. Amended: Filed Oct. 29, 1993, effective May 9, 1994. Amended: Filed June 15, 1994, effective Nov. 30, 1994. Amended: Filed July 31, 1995, effective Feb. 25, 1996. Amended: Filed Oct. 15, 1997, effective April 30, 1998. Amended: Filed Dec. 23, 1998, effective June 30, 1999. Amended: Filed Aug. 9, 1999, effective Feb. 29, 2000. Amended: Filed Aug. 21, 2000, effective Feb. 28, 2001. Amended: Filed Aug. 29, 2003, effective Feb. 29, 2004. Amended: Filed Sept. 1, 2005, effective Feb. 28, 2006. Amended: Filed Nov. 1, 2006, effective April 30, 2007. Amended: Filed Jan. 4, 2010, effective July 1, 2010. Amended: Filed July 2, 2012, effective Dec. 30, 2012. Amended: Filed June 24, 2013, effective Jan. 30, 2014. Amended: Filed Dec. 9, 2014, effective June 30, 2015. Amended: Filed April 14, 2015, effective Oct. 30, 2015. Amended: Filed Sept. 6, 2017, effective March 30, 2018. Amended: Filed Jan. 4, 2019, effective July 30, 2019. Amended: Filed Sept. 23, 2019, effective March 30, 2020. \*\* Amended: Filed July 19, 2022,*

*effective Jan. 30, 2023.*

*\*Original authority: 169.610, RSMo 1965, amended 1977, 2005.*

*\*\*Pursuant to Executive Order 21-09, 16 CSR 10-6.060, section (4) was suspended from August 7, 2020 through December 31, 2021.*

### 16 CSR 10-6.065 Recognition of Credit

*PURPOSE: This rule implements the provisions of section 169.569, RSMo, allowing credit from each system named in section 169.569, RSMo, to be combined for the purpose of determining eligibility for retirement from each system.*

(1) The provisions of this rule are to be used solely for the purpose of implementing section 169.569, RSMo, (hereinafter, all chapter and section citations are to the *Revised Statutes of Missouri* unless otherwise indicated).

(2) "System" or "systems" shall mean one (1) or more of the retirement systems created by Chapter 169 and named in section 169.569.1.

(3) The provisions of section 169.569 and this rule shall apply only to individuals with an effective retirement date after June 30, 2003.

(4) An individual may combine service credit from each of the systems with which the individual has at least five (5) years of creditable service to determine eligibility for normal or early retirement with each of the respective systems. Service credit from a system with which the individual has less than five (5) years of service may not be combined with any other service credit under this rule. Service credit may not be combined for any other purpose. Only service credit that is certified by the relevant system may be combined pursuant to this rule. An individual may not combine credit with other credit that is based on the same period of employment.

(5) Prior to receiving a retirement benefit from a system, an individual must comply with all of that system's requirements related thereto. An individual is not required to terminate employment with employers covered by systems from which the individual is not yet receiving a retirement benefit.

(6) Each system will use its own retirement application. All systems will use a uniform Reciprocity Election form.

(7) Each system from which the individual is eligible to retire after combining service credit pursuant to this rule shall pay its own retirement benefit and shall determine the benefit it is to pay to the individual based only on the service credit the individual has with that system. Each system paying a retirement benefit shall calculate its own final average salary based upon an individual's salaries on record with that retirement system. Each system paying a retirement benefit shall determine the retirement benefit based on its own applicable statutory provisions.

(8) An individual shall be subject to the working after retirement limitations for each system from which he or she is receiving a retirement benefit. The benefit paid by a system shall be discontinued only if the individual exceeds the working after retirement limitations, if any, of that system due to employment with an employer covered by that system. In the event of a discontinuance of benefits from one (1) system, the





individual may continue to receive a retirement benefit from any system for which he or she has not exceeded that system's working after retirement limitations.

(9) Service credit may be combined pursuant to this rule only for the purpose of service retirement eligibility and shall not be combined to determine eligibility for any other benefit payable by any system, including, but not limited to disability, surviving spouse and/or children benefits or minimum benefits.

(10) Notwithstanding the provisions of section (9), if, at the time of death, an individual could have elected to retire by combining credit under this rule, the beneficiary of such member may combine credit under this rule to qualify for benefits pursuant to sections 169.070.3(2)(a), 169.326.3, 169.460.14, or 169.670.4(2)(a).

*AUTHORITY: sections 169.610, RSMo 2000 and 169.569, RSMo Supp. 2001.\* Original rule filed June 28, 2002, effective Feb. 28, 2003.*

*\*Original authority: 169.610, RSMo 1965, amended 1977 and 169.569, RSMo 2001.*

#### **16 CSR 10-6.070 Disability Retirement**

*PURPOSE: This rule sets forth the method of qualification and limitations as provided in section 169.663, RSMo.*

(1) A member claiming disability retirement must file an application for retirement with the board of trustees on a form provided by the board.

(2) The board of trustees shall designate one (1) or more medical advisers whose duties shall be to review and determine eligibility for all disability retirement applicants, including assigning physicians and/or vocational specialists for examinations and reports, when necessary. The board of trustees shall pay the fees of the assigned examining physicians and/or vocational specialists and shall pay the medical advisers a fee for each application. The medical advisers shall report on their findings and the findings of the examining physicians and/or vocational specialists, if applicable, and the board of trustees or designated staff shall act on these findings.

(3) Disability, as a basis for retirement, shall consist of a physical and/or mental incapacity that renders the member incapable of earning a livelihood in any occupation and shall be of such a nature to warrant an assumption that it will be permanent.

(4) As a basis for making an initial disability determination, earning a livelihood in any occupation shall mean that the member must be able to engage in a gainful occupation for which the member is reasonably qualified by education, training, and experience. A gainful occupation is one that replaces not less than seventy-five percent (75%) of the average of the member's last three (3) years of salary and is reasonably found in the member's Metropolitan Statistical Area (MSA) or Balance of State (BOS) area as established by the United States Bureau of Labor Statistics.

(5) In order to warrant an assumption that the disability is permanent, the medical advisers and/or the examining physicians must determine that the disabling condition is likely to persist for at least twelve (12) months. The medical

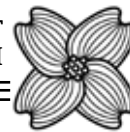
advisers and/or the examining physicians shall require that the member's disability be reviewed on a regular basis unless and until a determination can be made that the member's disabling condition will continue until the member reaches age sixty (60). Such review may consist of submission of regular Certification of Disability Status forms as completed by the member's physician or the member may be required to obtain periodic examinations by physicians selected and paid by the board, provided there shall not be more than two (2) examinations in any year.

(6) The earliest date on which disability retirement may become effective is the first day of the calendar month following the calendar month in which the services of the member are terminated, or the first day of the month following the month in which the claim is approved, whichever is later; except that the earliest date on which disability retirement may become effective for a member retiring after receiving credit for a year of membership service shall be July 1, the first day of the school year following the termination of services. Termination from employment covered by the retirement system prior to the effective date of disability retirement is required to be eligible for a disability retirement benefit.

(7) The first payment after approval shall include any benefits which have accrued between the date of disability and the date of the first payment, provided, however, that benefits shall not accrue for more than sixty (60) days prior to the date of filing the application.

(8) Any member who is receiving a disability retirement allowance from the retirement system and who has attained age sixty (60) may be employed in any capacity for, and receive income of any amount from, any employer except a school district included in the retirement system. Any such member may be employed in a district included in the retirement system without a discontinuance of the retirement allowance if such employment does not exceed the limitations set forth in section 169.660, RSMo, and 16 CSR 10-6.060(4).

(9) Any member who is receiving a disability retirement allowance from the retirement system and who has not attained age sixty (60) may not be employed in any capacity by a district included in the retirement system and continue to receive the disability retirement allowance. Any such person may not be employed in any capacity for any other employer, the compensation for which employment would constitute a livelihood, and continue to receive the disability retirement allowance. The board of trustees will determine that a member who has been approved for disability retirement and is receiving a disability retirement allowance is earning a livelihood for any given year when, not including the member's disability retirement allowance, the member earns more than twelve (12) times the Substantial Gainful Activity monthly limit for non-blind Social Security Disability Insurance recipients for that year. Income is earned for purposes of this section when it is received as a result of wages including bonuses, commissions, severance pay, or is net earnings from self-employment. Investment income, pensions, capital gains, legal settlements or judgments, rental income that is not a part of self-employment (e.g., someone who is in the business of renting property), support or alimony payments, and inheritances are some examples of unearned income which would not count toward the earnings limit. The recipient of disability retirement benefits who has not attained age sixty



(60) shall be required to submit an annual verification of income and may be required to submit tax returns, W-2 forms, paystubs, and other forms of documentation as evidence of continued eligibility for disability retirement.

(10) If the member fails to provide the board of trustees with the completed Certification of Disability Status form or obtain a periodic examination as required by section (5), fails to provide the income verification as required by section (9), or earns a livelihood in excess of the limits set forth in section (9), the member's disability benefit shall be suspended until such certification of the member's continued disability can be made or until the member reaches age sixty (60).

(11) A recipient of disability benefits may make a written request to the board of trustees to return to full-time or part-time employment on a trial basis. The written request shall include the proposed employer and the proposed start date of employment. The written request shall then either be approved or denied by the board of trustees. If the request is approved, the recipient's disability benefit shall be placed on hold by the board of trustees for the duration of the trial period, which is not to exceed twelve (12) calendar months. If the recipient is unable to complete his or her trial basis employment period, the recipient must provide written documentation to the board of trustees stating that he or she is not able to complete the trial period. The board of trustees may require the recipient to again submit to a periodic examination by physicians selected by the board of trustees, to determine if the recipient remains incapable of earning a livelihood in any occupation. If determined to still be incapable of earning a livelihood in any occupation, the recipient shall again be considered a disability retiree and receive a disability retirement benefit without resubmitting an Application for Disability Retirement; any contributions paid to the retirement system by the recipient and his or her employer during the incomplete trial basis employment period will be refunded to the employer, which shall then refund its employee for any employee-paid contributions. The recipient shall receive no additional service credit for the incomplete trial basis employment period. If the recipient does successfully complete his or her trial basis employment, his or her disability retirement will be terminated and his or her membership status as of the date of the member's disability retirement shall be restored; any contributions paid by the recipient and his or her employer to the retirement system during the trial basis employment period will be retained by the retirement system and applied to the member account as payment toward any disability benefits paid during the member's retirement. The recipient will be granted service credit for the trial basis employment period. In no event shall the recipient receive a benefit payment in the same calendar month in which the recipient either works for his or her trial basis employer or receives service credit.

(12) Upon the death of a disability retiree, his or her beneficiary is entitled to the same benefits as the beneficiary of a member who dies while employed in a district included in the retirement system as outlined under section 169.670, RSMo.

*AUTHORITY: section 169.610, RSMo 2016.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Amended: Filed June 15, 1994, effective Nov. 30, 1994. Amended: Filed Oct. 15, 1997, effective April 30, 1998. Amended: Filed Jan. 4, 2010, effective July 1, 2010. Amended: Filed Feb. 15, 2013, effective July 30, 2013. Amended: Filed May 20, 2020, effective Nov. 30, 2020. Amended: Filed May 5,*

*2022, effective Nov. 30, 2022.*

*\*Original authority: 169.610, RSMo 1965, amended 1977, 2005.*

#### 16 CSR 10-6.080 Withdrawals

*PURPOSE: This rule sets forth the procedure for withdrawing member contributions as authorized by section 169.670, RSMo.*

(1) A member may make application to withdraw his/her contributions at any time after thirty (30) days have elapsed following the termination of his/her services and the application shall be made on a form (see 16 CSR 10-2.030) provided by the board of trustees. A member shall be paid the amount due him/her within sixty (60) days of the date on which his/her application for withdrawal is filed with the board of trustees.

(2) If a member, who has withdrawn or has been refunded his/her contributions and thereby forfeited his/her creditable service, again becomes a member of the system, elects in writing to reinstate his/her creditable service and before retirement pays to the retirement system, with interest computed at the purchase rate, the amount of accumulated contributions withdrawn by him/her or refunded to him/her, his/her previous service shall be credited to him/her. A member, electing to extend his/her payments over a period of time, following the election, shall make payments in amounts at the discretion of the member and interest on the unpaid balance shall be compounded annually at the purchase rate.

*AUTHORITY: section 169.610, RSMo 1994.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Amended: Filed Aug. 11, 1977, effective Nov. 15, 1977. Amended: Filed Oct. 24, 1996, effective April 30, 1997.*

*\*Original authority: 169.610, RSMo 1965, amended 1977.*

#### 16 CSR 10-6.090 Beneficiary

*PURPOSE: This rule sets forth the procedure for establishing beneficiaries and their eligibility for benefits as authorized in sections 169.663 and 169.670, RSMo.*

(1) Each member may designate a beneficiary and contingent beneficiaries by filing with the retirement system a form furnished by the board for this purpose. If a member fails to designate a beneficiary, the beneficiary shall be determined pursuant to section 169.676, RSMo.

(2) A member may change beneficiary(ies) at any time prior to retirement by filing a request for change with the board of trustees on a form furnished by the board for this purpose.

(3) Accumulated contributions of a deceased member due a beneficiary or estate upon the death of a member shall be paid within sixty (60) days of the establishment of the claim. If the beneficiary is a minor, payment shall be made to the conservator of the minor appointed by the court after the filing of a certified copy of the court order making the appointment, or to the custodian designated under the Missouri Transfers to Minors Law.

(4) Upon the death of a member or retiree, payments shall be



made as set forth below.

(A) The designated beneficiary of a deceased member prior to retirement shall be entitled to receive payment of the accumulated contributions of the deceased member if an alternate benefit is not elected by the beneficiary. If the member fails to designate a beneficiary on the form provided, if the beneficiary designation form on file is deemed invalid by operation of section 169.676.2., RSMo, or if no beneficiary designated on the form provided survives the member, the benefit shall be paid in accordance with section 169.676, RSMo.

(B) The designated beneficiary of a deceased retiree who retired before January 1, 2012, and elected Option 1 at retirement shall be entitled to receive any balance of the deceased retiree's accumulated contributions in excess of the total retirement allowances paid. If the retiree fails to designate a beneficiary on the form provided or if no beneficiary designated on the form provided survives the member, the benefit shall be paid in accordance with section 169.670.5., RSMo.

(C) All members retiring on or after January 1, 2012, who elect Option 1 must designate a beneficiary at or after the time of their retirement and any beneficiary designation made prior to the member's retirement shall be deemed void at the time of their retirement. Any beneficiary designated at or after retirement by a retiree electing Option 1 shall, upon the retiree's death, be entitled to receive any balance of the deceased retiree's accumulated contributions in excess of the total retirement allowances paid. If the retiree fails to designate a beneficiary at or after retirement on the form provided or if no beneficiary designated on the form provided survives the member, the benefit shall be paid in accordance with section 169.670.5., RSMo.

(D) If both a retiree who elected Option 2, 3, or 4 and the designated joint survivor under the option are deceased, any existing balance of the deceased retiree's accumulated contributions in excess of the total retirement allowances paid to the retiree and to the joint survivor shall be paid to the beneficiary designated for that purpose. If the retiree fails to designate a beneficiary on the form provided or if no beneficiary designated on the form provided survives the member, the benefit shall be paid in accordance with section 169.670.5., RSMo.

(E) No payment of accumulated contributions shall be made to an estate except through the personal representative who has been legally qualified and who shall file a certified copy of the appointment; except that in cases where the court does not appoint a personal representative, payment shall be made upon order of the court to the person(s) designated by the court or in the absence of court order the system may make payment to a surviving heir if all known surviving heirs sign an Indemnity Agreement and file this agreement with the board of trustees prior to the payment where such agreement would adequately protect the system; or payment may be made in accordance with the provisions of section 473.097, RSMo, relating to small estates.

(5) Payments due a beneficiary of a deceased service retiree under Option 2, 3, 4, 5, 6, or 7 shall commence with the month following the month in which the retiree dies. Payments due a beneficiary under Option 2, 3, 4, or 7 shall cease with the payment at the end of the month in which the death of the beneficiary occurs. Under Options 5 and 6, if the retiree dies prior to receiving one hundred twenty (120) or sixty (60) monthly payments, respectively, the remainder of such monthly payments shall be paid to the retiree's primary beneficiary. If the primary beneficiary dies prior to receiving the remainder

of the one hundred twenty (120) or sixty (60) monthly payments under Option 5 or 6, respectively, the remainder of such monthly payments shall be paid to the retiree's first contingent beneficiary. If the first contingent beneficiary dies prior to receiving the remainder of the one hundred twenty (120) or sixty (60) monthly payments under Option 5 or 6, respectively, the remainder of such monthly payments shall be paid to the retiree's second contingent beneficiary. If there is no primary or contingent beneficiary who survives the retiree for the remainder of the one hundred twenty (120) or sixty (60) monthly payments under Option 5 or 6, respectively, the reserve of the remainder of such payments shall be paid in accordance with section 169.670.4.(1), RSMo.

(6) Option 2 benefits payable under section 169.670, RSMo, to a beneficiary of a member or a disability retiree who dies prior to becoming retired on service retirement shall accrue as follows:

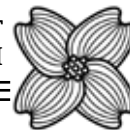
(A) If the beneficiary elects to receive an immediate benefit, then the benefit shall be payable the first day of the month following the death of the member or disability retiree. If the beneficiary elects to receive a deferred benefit to begin when the member or disability retiree would have been eligible to receive a retirement allowance under section 169.670.1. or 4., RSMo, then the benefit shall be payable the first day of the month following the event which would have established the eligibility for such retirement allowance. If the beneficiary elects to receive a deferred benefit to begin when the member or disability retiree would first have been eligible to receive an actuarial equivalent of a retirement allowance, then the benefit shall be payable the first day of the month following the event which would have established eligibility for the actuarial equivalent.

(B) The benefits payable shall be those provided under the law in effect at the date the payments begin. Any actuarial equivalent factors applied in the benefit calculation shall be those in effect at the time benefit payments begin.

(C) The election by the beneficiary for Option 2 benefits must be made before the date the first payment would begin to accrue, except that an election made within one (1) year of the death of the member or disability retiree may be effective from the first of the month following the event which established eligibility for the retirement allowance. An election may not be changed after a payment has been made.

(D) Option 2 benefits payable pursuant to section 169.670, RSMo, to a beneficiary of a member or a disability retiree who dies prior to becoming retired on service retirement shall be paid only to a sole beneficiary who had an insurable interest in the member or disability retiree on the date of death. An "insurable interest" shall be considered to exist because of the relationship to a member of a wife, husband, father, mother, child (including a stepchild or adopted child), or any other person who has a financial interest in the continued life of the member or who is dependent upon the member for all or part of his or her support.

(7) Proof of the death of the member or beneficiary is required before any benefits, including, but not limited to, accumulated contributions are paid to an estate or other beneficiary. Proof of death shall be established by submission of an original or a certified copy of a death certificate issued by the authority of the governmental entity responsible for issuing such certificates. Other documentation, including, but not limited to, an appropriate court order may be submitted for evaluation if it is not possible to obtain a death certificate.



(8) Pursuant to section 169.676.2, RSMo, the member's marriage, divorce, withdrawal of accumulated contributions, or the birth of the member's child, or the member's adoption of a child, shall result in an automatic revocation of the member's previous designation in its entirety only if such event occurred on or after August 28, 2005, and before the member's effective service retirement date.

*AUTHORITY: section 169.610, RSMo Supp. 2013.\* Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Amended: Filed Aug. 11, 1977, effective Nov. 15, 1977. Amended: Filed Sept. 11, 1981, effective Dec. 11, 1981. Emergency amendment filed Oct. 29, 1993, effective Nov. 8, 1993, expired March 7, 1994. Amended: Filed Oct. 29, 1993, effective May 9, 1994. Amended: Filed June 15, 1994, effective Nov. 30, 1994. Amended: Filed July 31, 1995, effective Feb. 25, 1996. Amended: Filed Dec. 12, 1996, effective June 30, 1997. Amended: Filed Oct. 15, 1997, effective April 30, 1998. Amended: Filed Aug. 10, 1998, effective Feb. 28, 1999. Amended: Filed Aug. 9, 1999, effective Feb. 29, 2000. Amended: Filed Dec. 15, 2000, effective June 30, 2001. Amended: Filed June 7, 2001, effective Dec. 30, 2001. Amended: Filed Sept. 1, 2005, effective Feb. 28, 2006. Amended: Filed Nov. 1, 2005, effective April 30, 2006. Amended: Filed Dec. 19, 2011, effective June 30, 2012. Amended: Filed Feb. 15, 2013, effective July 30, 2013. Amended: Filed April 30, 2014, effective Oct. 30, 2014.*

*\*Original authority: 169.610, RSMo 1965, amended 1977, 2005.*

#### 16 CSR 10-6.095 Salary Rates for Benefit Calculations

*PURPOSE: This rule establishes procedures for determining the salary rates used in calculating service retirement disability retirement and death benefits.*

(1) The system will determine salary rates for purposes of benefit calculation in accordance with 16 CSR 10-6.020(7). The determination will include only salary earned for service for an employer within the system and will exclude salary related to creditable service that was purchased or transferred.

*AUTHORITY: section 169.610, RSMo Supp. 1996.\* Original rule filed Dec. 22, 1993, effective July 10, 1994. Amended: Filed Feb. 13, 1997, effective July 1, 1997.*

*\*Original authority: 169.610, RSMo 1965, amended 1977.*

#### 16 CSR 10-6.100 Cost-of-Living Adjustments

*PURPOSE: This rule provides for the implementation of cost-of-living adjustments to retired members and beneficiaries as provided in section 169.670, RSMo.*

(1) The board of trustees, at the August meeting or as soon as sufficient data is available after the end of the fiscal year, shall determine any cost-of-living adjustment to be effective with the January payment following the close of the fiscal year. The board shall consider the recommendation of the system's actuary in determining the amount of adjustment to be made.

(2) The recommendation of the actuary and the determination of the board shall take into consideration data from the National Consumer Price Index (CPI) and may include other pertinent data available. The cost-of-living change in the CPI shall be the June CPI of the fiscal year divided by the June CPI

of the preceding fiscal year minus one (1) and expressed as a percent. Example: June 1976 CPI, 170.1; June 1975 CPI, 160.6  $(170.1 \div 160.6) - 1 = .059 = 5.9\%$ .

(3) When it is determined that an increase shall be granted, the increase shall be added to the allowances of all persons receiving service or disability retirement allowances or beneficiary allowances under the provisions of sections 169.663 and 169.670, RSMo. The initial increase in a retired member's allowance cannot be granted before January 1, 1982, or until the fourth January 1 following retirement, whichever is later. A designated beneficiary of a deceased retiree who is receiving an allowance as provided in section 169.670, RSMo will be eligible for an increase provided the deceased retiree would have been retired four (4) January firsts had s/he lived.

(4) If the cost-of-living decreases as determined by the board of trustees, the allowance which had previously been increased under the provisions of Senate Bill 242 may be decreased by a percentage not to exceed the percent of reduction in the cost-of-living as determined by the board, but the decrease or total of such decreases shall not reduce the allowance below that received at retirement or on December 31, 1981, whichever is later. In determining whether a decrease shall be made, consideration shall be given not only to cost-of-living data as shown by the National CPI for the preceding fiscal year, but also to the total net economic change as reflected by the National CPIs of all years since the retiree or eligible beneficiary under sections 169.663 and 169.670, RSMo first qualified for a cost-of-living increase.

*AUTHORITY: section 169.610, RSMo 1994.\* Original rule filed Sept. 11, 1981, effective Dec. 11, 1981. Amended: Filed Aug. 9, 1999, effective Feb. 29, 2000.*

*\*Original authority: 169.610, RSMo 1965, amended 1977.*