

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 300**  
**98TH GENERAL ASSEMBLY**

1654H.03C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 86.200, 86.213, 86.237, 86.250, 86.251, 86.257, 86.263, 86.270, 86.320, 86.1110, 86.1270, 86.1500, 86.1630, 94.579, 169.291, 169.324, and 169.450, RSMo, and to enact in lieu thereof seventeen new sections relating to retirement benefits.

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

Section A. Sections 86.200, 86.213, 86.237, 86.250, 86.251, 86.257, 86.263, 86.270, 2 86.320, 86.1110, 86.1270, 86.1500, 86.1630, 94.579, 169.291, 169.324, and 169.450, RSMo, 3 are repealed and seventeen new sections enacted in lieu thereof, to be known as sections 86.200, 4 86.213, 86.237, 86.250, 86.251, 86.257, 86.263, 86.270, 86.320, 86.1110, 86.1270, 86.1500, 5 86.1630, 94.579, 169.291, 169.324, and 169.450, to read as follows:

86.200. The following words and phrases as used in sections 86.200 to 86.366, unless 2 a different meaning is plainly required by the context, shall have the following meanings:

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

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

8 (3) "Average final compensation":

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

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

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

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

28 (d) With respect to a member who is participating in the DROP pursuant to section  
29 86.251 on October 1, 2001, or whose participation in the DROP ended before such date, who  
30 returns to active participation in the system pursuant to section 86.251, and who terminates  
31 employment as a police officer after earning at least two years of creditable service after such  
32 return, the member's benefit attributable to all of such member's creditable service shall be  
33 determined using the member's average final compensation as defined in paragraph (b) of this  
34 subdivision;

35 (e) With respect to a member who is participating in the DROP pursuant to section  
36 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns  
37 to active participation in the system pursuant to section 86.251, and whose employment as a  
38 police officer terminates due to death or disability after such return, the member's benefit  
39 attributable to all of such member's creditable service shall be determined using the member's  
40 average final compensation as defined in paragraph (b) of this subdivision; and

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

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

47 (5) ["Board of police commissioners", any board of police commissioners, police  
48 commissioners and any other officials or boards now or hereafter authorized by law to employ  
49 and manage a permanent police force in such cities;

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

52 [(7)] (6) "Creditable service", prior service plus membership service as provided in  
53 sections 86.200 to 86.366;

54 [(8)] (7) "DROP", the deferred retirement option plan provided for in section 86.251;

55 [(9)] (8) "Earnable compensation", the annual salary established under section 84.160  
56 which a member would earn during one year on the basis of the member's rank or position plus  
57 any additional compensation for academic work and shift differential that may be provided by  
58 any official or board now or hereafter authorized by law to employ and manage a permanent  
59 police force in such cities. Such amount shall include the member's deferrals to a deferred  
60 compensation plan pursuant to Section 457 of the Internal Revenue Code or to a cafeteria plan  
61 pursuant to Section 125 of the Internal Revenue Code or, effective October 1, 2001, to a  
62 transportation fringe benefit program pursuant to Section 132(f)(4) of the Internal Revenue Code.  
63 Earnable compensation shall not include a member's additional compensation for overtime,  
64 standby time, court time, nonuniform time or unused vacation time. Notwithstanding the  
65 foregoing, the earnable compensation taken into account under the plan established pursuant to  
66 sections 86.200 to 86.366 with respect to a member who is a noneligible participant, as defined  
67 in this subdivision, for any plan year beginning on or after October 1, 1996, shall not exceed the  
68 amount of compensation that may be taken into account under Section 401(a)(17) of the Internal  
69 Revenue Code, as adjusted for increases in the cost of living, for such plan year. For purposes  
70 of this subdivision, a "noneligible participant" is an individual who first becomes a member on  
71 or after the first day of the first plan year beginning after the earlier of:

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

73 (b) December 31, 1995;

74 [(10)] (9) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as  
75 amended;

76 [(11)] (10) "Mandatory contributions", the contributions required to be deducted from  
77 the salary of each member who is not participating in DROP in accordance with section 86.320;

78 [(12)] (11) "Medical board", the [board of three physicians of different disciplines]  
79 **health care organization** appointed by the trustees of the police retirement board and  
80 responsible for arranging and passing upon all medical examinations required under the  
81 provisions of sections 86.200 to 86.366, which [board] shall investigate all essential statements  
82 and certificates made by or on behalf of a member in connection with an application for

83 disability retirement and shall report in writing to the board of trustees its conclusions and  
84 recommendations[, which can be based upon the opinion of a single member or that of an outside  
85 specialist if one is appointed, upon all the matters referred to such medical board];

86 [(13)] (12) "Member", a member of the retirement system as defined by sections 86.200  
87 to 86.366;

88 [(14)] (13) "Members' interest", interest on accumulated contributions at such rate as  
89 may be set from time to time by the board of trustees;

90 [(15)] (14) "Membership service", service as a policeman rendered since last becoming  
91 a member, except in the case of a member who has served in the Armed Forces of the United  
92 States and has subsequently been reinstated as a policeman, in which case "membership service"  
93 means service as a policeman rendered since last becoming a member prior to entering such  
94 armed service;

95 [(16)] (15) "Plan year" or "limitation year", the twelve consecutive-month period  
96 beginning each October first and ending each September thirtieth;

97 [(17)] (16) "Policeman" or "police officer", any member of the police force of such cities  
98 who holds a rank in such police force;

99 [(18)] (17) "Prior service", all service as a policeman rendered prior to the date the  
100 system becomes operative or prior to membership service which is creditable in accordance with  
101 the provisions of sections 86.200 to 86.366;

102 [(19)] (18) "Reserve officer", any member of the police reserve force of such cities,  
103 armed or unarmed, who works less than full time, without compensation, and who, by his or her  
104 assigned function or as implied by his or her uniform, performs duties associated with those of  
105 a police officer and who currently receives a service retirement as provided by sections 86.200  
106 to 86.366;

107 [(20)] (19) "Retirement allowance", annual payments for life as provided by sections  
108 86.200 to 86.366 which shall be payable in equal monthly installments or any benefits in lieu  
109 thereof granted to a member upon termination of employment as a police officer and actual  
110 retirement;

111 [(21)] (20) "Retirement system", the police retirement system of the cities as defined in  
112 sections 86.200 to 86.366;

113 [(22)] (21) "Surviving spouse", the surviving spouse of a member who was the member's  
114 spouse at the time of the member's death.

86.213. 1. The general administration and the responsibility for the proper operation of  
2 the retirement system and for making effective the provisions of sections 86.200 to 86.366 are  
3 hereby vested in a board of trustees of nine persons. The board shall be constituted as follows:

4 (1) The comptroller of the city, ex officio. If the comptroller is absent from any meeting  
5 of the board of trustees for any cause whatsoever, the comptroller may be represented by either  
6 the deputy comptroller or the first assistant comptroller who in such case shall have full power  
7 to act as a member of the said board of trustees;

8 (2) Two members to be appointed by the mayor of the city to serve for a term of two  
9 years, except the mayor shall not appoint the police chief of the municipal police force[,] or the  
10 city's director of public safety[, or the president of the board of police commissioners of the city];

11 (3) Three members to be elected by the members of the retirement system of the city for  
12 a term of three years; provided, however, that the term of office of the first three members so  
13 elected shall begin immediately upon their election and one such member's term shall expire one  
14 year from the date the retirement system becomes operative, another such member's term shall  
15 expire two years from the date the retirement system becomes operative and the other such  
16 member's term shall expire three years from the date the retirement system becomes operative;  
17 provided, further, that such members shall be members of the system and hold office only while  
18 members of the system;

19 (4) Three members who shall be retired members of the retirement system to be elected  
20 by the retired members of the retirement system for a term of three years; except that, the term  
21 of office of the first two members so elected shall begin immediately upon their election and one  
22 such member's term shall expire two years from the date of election and the other such member's  
23 term shall expire three years from the date of election.

24 2. Any member elected chairman of the board of trustees may serve without term  
25 limitations.

26 3. Each commissioned elected trustee shall be granted travel time by the St. Louis  
27 metropolitan police department to attend any and all functions that have been authorized by the  
28 board of trustees of the police retirement system of St. Louis. Travel time, with compensation,  
29 for a trustee shall not exceed thirty days in any board fiscal year.

86.237. 1. The board of trustees is authorized to use the city counselor of the specified  
2 cities as a legal advisor to the board of trustees and may also appoint an attorney-at-law or firm  
3 of attorneys-at-law to serve as the legal advisor and consultant to the board of trustees and to  
4 represent the system and the board of trustees in all legal proceedings.

5 2. The board of trustees shall designate a [medical director, who] **medical board which**  
6 shall [appoint physicians, including himself or herself if appropriate, as he or she deems  
7 necessary to] arrange for and pass upon all medical examinations required under the provisions  
8 of sections 86.200 to 86.366. Such [physicians] **medical board** shall investigate all essential  
9 statements as to physical or mental conditions made by or on behalf of a member in connection  
10 with an application for disability retirement and shall report in writing [their] **to the board of**

11 **trustees its** conclusions and recommendations upon all the matters referred to them. [The  
12 medical director shall report in writing to the board of trustees conclusions and recommendations  
13 concerning all essential statements as to physical or mental conditions made by or on behalf of  
14 a member in connection with an application for disability retirement.]

86.250. Retirement of a member on a service retirement allowance shall be made by the  
2 board of trustees as follows:

3 (1) Any member may terminate employment as a police officer and actually retire after  
4 completing twenty or more years of creditable service or attaining the age of fifty-five upon the  
5 member's written application to the board of trustees setting forth at what time, but not more than  
6 ninety days subsequent to the execution and filing of the application, the member desires to be  
7 retired;

8 (2) Any member in service who has attained the age of sixty-five shall be terminated as  
9 a police officer and actually retired forthwith provided that upon request of the [board] **chief** of  
10 police [commissioners] the board of trustees may permit such member to remain in service for  
11 periods of not to exceed one year from the date of the last request from the [board] **chief** of  
12 police [commissioners].

86.251. 1. The board of trustees may develop and establish a deferred retirement option  
2 plan (DROP) in which members who are eligible for retirement but who have not terminated  
3 employment as police officers and who have not actually retired may participate. The DROP  
4 shall be designed to allow members with at least twenty years of creditable service or who have  
5 attained the age of fifty-five who have achieved eligibility for retirement and are entitled to a  
6 service retirement allowance and other benefits to postpone actual retirement, continue active  
7 employment and accumulate a deferred receipt of the service retirement allowance. No one shall  
8 participate in the DROP for a period exceeding five years.

9 2. Any member who has at least twenty years of creditable service or has attained the age  
10 of fifty-five may elect in writing before retirement to participate in the DROP. A member  
11 electing to participate in the DROP shall postpone actual retirement, shall continue in active  
12 employment and shall not receive any direct retirement allowance payments or benefits during  
13 the period of participation.

14 3. Upon the start of the participation in the DROP, the member shall cease to make any  
15 mandatory contributions to the system. No contribution shall be required by the city into the  
16 DROP account. During the period of participation in the DROP, the amount that the member  
17 would have received as a service retirement allowance if the member had actually retired instead  
18 of entering DROP shall be deposited monthly in the member's DROP account which shall be  
19 established in the member's name by the board of trustees. The member's service retirement  
20 allowance shall not be adjusted for any cost-of-living increases for any period prior to the

21 member's termination of employment as a police officer and actual retirement. Cost-of-living  
22 increases, if any, for any period following the member's termination of employment as a police  
23 officer and actual retirement shall be applied only to monthly service retirement payments made  
24 following termination of employment as a police officer and actual retirement. Service earned  
25 during the period of participation in the DROP shall not be creditable service and shall not be  
26 counted in determination of any service retirement allowance or surviving spouse's or  
27 dependents' benefits. Compensation paid during the period of participation in the DROP shall  
28 not be earnable compensation and shall not be counted in the determination of any service  
29 retirement allowance or surviving spouse's or dependent's benefits. The member's service  
30 retirement allowance shall be frozen as of the date the member enters DROP. Except as  
31 specifically provided in sections 86.200 to 86.366, the member's frozen service retirement  
32 allowance shall not increase while the member is participating in DROP or after the member's  
33 participation in DROP ends, and the member shall not share in any benefit improvement that is  
34 enacted or that becomes effective while such member is participating in the DROP.

35 4. A member shall cease participation in the DROP upon the termination of the member's  
36 employment as a police officer and actual retirement, or at the end of the five-year period  
37 commencing on the first day of the member's participation in the DROP, or as of the effective  
38 date[, but in no event prior to October 1, 2001,] of the member's election to return to active  
39 participation in the system, whichever occurs first. A member's election to return to active  
40 participation in the system before the end of the five-year period commencing on the first day  
41 of participation in the DROP shall be made and shall become effective in accordance with  
42 procedures established by the board of trustees[, but in no event prior to October 1, 2001]. Upon  
43 the member's termination of employment as a police officer and actual retirement, the member  
44 shall elect to receive the value of the member's DROP account, in one of the following forms of  
45 payment:

46 (a) A lump sum payment; or

47 (b) Equal monthly installments over a ten-year period. Either form of payment should  
48 begin within thirty days after the member's notice to the board of trustees that the member has  
49 selected a particular option.

50 5. If a member who is participating in the DROP elects to return to active participation  
51 in the system or if a member who is participating in the DROP does not terminate employment  
52 and actually retires as a police officer in the city for which the retirement system was established  
53 pursuant to sections 86.200 to 86.366 at the end of the five-year period commencing on the first  
54 day of the member's participation in the DROP, the member shall return to active participation  
55 in the system and shall resume making mandatory contributions to the system effective as of the  
56 day after participation in the DROP ends [or, if later, October 1, 2001]. The board of trustees

57 shall notify the [police commissioners] **chief of police** to begin deducting mandatory  
58 contributions from the member's salary and the member's employment period shall count as  
59 creditable service beginning as of the day the member returns to active participation.

60         6. In no event shall a member whose participation in DROP has ended for any reason be  
61 eligible to participate in DROP again.

62         7. Upon the member's termination of employment as a police officer and actual  
63 retirement, the member's mandatory contributions to the retirement system shall be paid to the  
64 member pursuant to subsection 4 of section 86.253.

65         8. If a member dies prior to termination of employment as a police officer and actual  
66 retirement while participating in the DROP or before the member has received full withdrawal  
67 of the amount in the member's DROP account under the installment optional payment form, the  
68 remaining balance of the member's DROP account shall be payable to the member's surviving  
69 spouse; or, if the member is then unmarried, to the member's dependent children in equal shares;  
70 or, if none, to the member's dependent mother or father; or, if none, to the member's designated  
71 beneficiary or, if no such beneficiary is then living, to the member's estate. Payment shall be  
72 made in a lump sum within sixty days after receipt by the board of trustees of evidence and proof  
73 of the death of a member. In addition, the member's mandatory contributions, if any, that were  
74 not already paid to the member pursuant to subsection 4 of section 86.253 shall be paid to the  
75 member's surviving spouse pursuant to section 86.288.

76         9. If a member applies for and receives benefits for an accidental disability retirement  
77 allowance pursuant to the provisions of section 86.263, the member shall forfeit all rights, claims  
78 or interest in the member's DROP account and the member's benefits shall be calculated as if the  
79 member has continued in employment and had not elected to participate in the DROP. Any  
80 portion of a DROP account that has been forfeited as provided in this subsection shall be a  
81 general asset of the system.

82         10. A member's DROP account shall earn interest equal to the rate of return earned by  
83 the system's investment portfolio on a market value basis, including realized and unrealized gains  
84 and losses, net of investment expense, as certified by the system's actuary. As of the last day of  
85 each plan year beginning after DROP participation begins, the member's DROP account balance,  
86 determined as of the last day of the prior plan year, shall be credited with interest at the  
87 investment rate earned by the assets of the retirement system for such prior plan year. If  
88 distribution of the member's DROP account balance is made in a lump sum under subsection 4  
89 or 8 of this section, interest for the plan year of distribution shall be credited on the ending  
90 balance for the prior plan year at the investment rate earned on the assets of the retirement system  
91 for the prior plan year, in proportion to the part of the plan year preceding the date of the  
92 member's termination of employment or death, whichever is earlier. If the member's DROP



93 account is paid in equal monthly installments pursuant to subsection 4 of this section, interest  
94 during the installment period shall be credited as of the last day of each plan year ending after  
95 installment payment begins on the account balance as of the first or last day of the plan year,  
96 whichever is lower, at the investment rate earned by the assets of the system for the prior plan  
97 year. Interest for the year in which the final installment is paid shall be credited on the balance  
98 remaining after the final installment is paid, at the investment rate earned on the assets of the  
99 system for the prior plan year, in proportion to the part of the plan year preceding payment of the  
100 final installment. Any interest credited to the DROP account during the installment period shall  
101 be paid as soon as reasonably possible after the final monthly installment. No interest shall be  
102 credited on amounts, if any, added to the member's DROP account during the year in which the  
103 distribution of the account is completed.

104 11. The board of trustees shall not incur any liability individually or on behalf of other  
105 individuals for any act or omission made in good faith in relation to the DROP or assets credited  
106 to DROP accounts established by this section. The provisions of the Internal Revenue Code and  
107 regulations promulgated thereunder shall supersede any provision of this section if there is any  
108 inconsistency with the Internal Revenue Code or regulation.

109 12. Upon the receipt by the board of trustees of evidence and proof that the death of a  
110 member resulted from an event occurring while the member was in the actual performance of  
111 duty, and if the member is participating in the DROP, the member's surviving spouse or, if the  
112 member is then unmarried, the member's unmarried dependent children, may elect within thirty  
113 days after the member's death to have the amount in the member's DROP account paid in the  
114 form of a monthly survivor annuity. Payment of the survivor annuity shall begin within sixty  
115 days after the election is received. Payment to the member's surviving spouse shall continue  
116 until the surviving spouse's death; payment to the member's unmarried dependent children shall  
117 be made while any child qualifies as an unmarried dependent child pursuant to section 86.280.  
118 The survivor annuity shall be the actuarial equivalent of the member's DROP account as of the  
119 date of the member's death. In no event shall the total amount paid pursuant to this subsection  
120 be less than the member's DROP account balance as of the date of the member's death.

86.257. 1. Upon the application of the [board] **chief** of police [commissioners or any  
2 successor body] **or a member**, any member who has completed ten or more years of creditable  
3 service or upon the police retirement system created by sections 86.200 to 86.366 first attaining,  
4 after August 28, 2013, a funded ratio, as defined in section 105.660 and as determined by the  
5 system's annual actuarial valuation, of at least eighty percent, a member who has completed five  
6 or more years of creditable service and who has become permanently unable to perform the  
7 duties of a police officer as the result of an injury or illness not exclusively caused or induced  
8 by the actual performance of his or her official duties or by his or her own negligence shall be

9 retired by the board of [police commissioners or any successor body] **trustees of the police**  
10 **retirement system** upon certification by the medical board of the police retirement system and  
11 approval by the board of trustees of the police retirement system that the member is mentally or  
12 physically unable to perform the duties of a police officer, that the inability is permanent or likely  
13 to become permanent, and that the member should be retired.

14 2. Once each year during the first five years following such member's retirement, and at  
15 least once in every three-year period thereafter, the board of trustees may, and upon the member's  
16 application shall, require any nonduty disability beneficiary who has not yet attained sixty years  
17 of age to undergo a medical examination at a place designated by the medical board or such  
18 physicians as the medical board appoints. If any nonduty disability beneficiary who has not  
19 attained sixty years of age refuses to submit to a medical examination, his or her nonduty  
20 disability pension may be discontinued until his or her withdrawal of such refusal, and if his or  
21 her refusal continues for one year, all rights in and to such pension may be revoked by the board  
22 of trustees.

23 3. If the medical board certifies to the board of trustees that a nonduty disability  
24 beneficiary is able to perform the duties of a police officer, and if the board of trustees concurs  
25 on the report, then such beneficiary's nonduty disability pension shall cease.

26 4. If upon cessation of a disability pension under subsection 3 of this section, the former  
27 disability beneficiary is restored to active service, he or she shall again become a member, and  
28 he or she shall contribute thereafter at the same rate as other members. Upon his or her  
29 subsequent retirement, he or she shall be credited with all of his or her active retirement, but not  
30 including any time during which the former disability beneficiary received a disability pension  
31 under this section.

86.263. 1. Any member in active service who is permanently unable to perform the full  
2 and unrestricted duties of a police officer as the natural, proximate, and exclusive result of an  
3 accident occurring within the actual performance of duty at some definite time and place, through  
4 no negligence on the member's part, shall be retired by the board of [police commissioners or any  
5 successor body] **trustees of the police retirement system** upon certification by [one or more  
6 physicians of] the medical board that the member is mentally or physically unable to perform the  
7 full and unrestricted duties of a police officer, that the inability is permanent or likely to become  
8 permanent, and that the member should be retired. The inability to perform the "full and  
9 unrestricted duties of a police officer" means the member is unable to perform all the essential  
10 job functions for the position of police officer as established by the [board] **chief** of police  
11 [commissioners or any successor body].

12 2. No member shall be approved for retirement under the provisions of subsection 1 of  
13 this section unless the application was made and submitted [to the board of police commissioners

14 or any successor body] **by the chief of police or a member** no later than five years following  
15 the date of accident, provided, that if the accident was reported within five years of the date of  
16 the accident and an examination made of the member within thirty days of the date of accident  
17 by a health care provider whose services were provided through the [board] **chief** of police  
18 [commissioners] with subsequent examinations made as requested, then an application made  
19 more than five years following the date of the accident shall be considered timely.

20         3. Once each year during the first five years following a member's retirement, and at least  
21 once in every three-year period thereafter, the board of trustees may require any disability  
22 beneficiary who has not yet attained sixty years of age to undergo a medical examination or  
23 medical examinations at a place designated by the medical board or such physicians as the  
24 medical board appoints. If any disability beneficiary who has not attained sixty years of age  
25 refuses to submit to a medical examination, his or her disability pension may be discontinued by  
26 the board of trustees of the police retirement system until his or her withdrawal of such refusal,  
27 and if his or her refusal continues for one year, all rights in and to such pension may be revoked  
28 by the board of trustees.

29         4. If the medical board certifies to the board of trustees that a disability beneficiary is  
30 able to perform the duties of a police officer, then such beneficiary's disability pension shall  
31 cease.

32         5. If upon cessation of a disability pension under subsection 4 of this section, the former  
33 disability beneficiary is restored to active service, he or she shall again become a member, and  
34 he or she shall contribute thereafter at the same rate as other members. Upon his or her  
35 subsequent retirement, he or she shall be credited with all of his or her active service time as a  
36 member including the service time prior to receiving disability retirement, but not including any  
37 time during which the former disability beneficiary received a disability pension under this  
38 section.

39         6. If upon cessation of a disability pension under subsection 4 of this section, the former  
40 disability beneficiary is not restored to active service, such former disability beneficiary shall be  
41 entitled to the retirement benefit to which such former disability beneficiary would have been  
42 entitled if such former disability beneficiary had terminated service for any reason other than  
43 dishonesty or being convicted of a felony at the time of such cessation of such former disability  
44 beneficiary's disability pension. For purposes of such retirement benefits, such former disability  
45 beneficiary shall be credited with all of the former disability beneficiary's active service time as  
46 a member, but not including any time during which the former disability beneficiary received a  
47 disability beneficiary pension under this section.

86.270. 1. Any determination of whether a member is disabled under the provisions of  
2 section 86.257 or 86.263 shall consist of an investigation of the member's physical and mental

3 condition by the medical [director] **board** of the police retirement system [and all physicians  
4 appointed by the medical director] under the provisions of section 86.237 and an investigation  
5 by the board of trustees of the police retirement system of any other matter relevant to determine  
6 whether the member satisfies the applicable requirements of section 86.257 or 86.263. The  
7 board of trustees may authorize the use of staff of the police retirement system and other persons  
8 not employed by the police retirement system to assist in its investigation. The board of trustees  
9 of the police retirement system and the medical [director] **board** of the police retirement system  
10 and any such physicians appointed by the medical [director] **board** under the provisions of  
11 section 86.237 may communicate with each other as to matters relevant to determine whether  
12 the member satisfies the applicable requirements of section 86.257 or 86.263.

13 2. The board of trustees shall require each member who applies for disability benefits  
14 and any disability beneficiary to be reexamined under the provisions of section 86.257 or 86.263  
15 to undergo medical examinations at places designated by the medical [director] **board** and any  
16 physicians appointed by the medical [director] **board** under the provisions of section 86.237.  
17 [The examination shall be made by the medical director or by any physicians appointed by the  
18 medical director under the provisions of section 86.237.]

86.320. 1. The board of trustees shall certify to the [board] **chief** of police  
2 [commissioners and the board of police commissioners] **who** shall cause to be deducted from  
3 the salary of each member on each and every payroll for each and every pay period, seven  
4 percent of the compensation of each member who is not participating in the DROP, including  
5 each member whose participation in the DROP has ended and who has returned to active  
6 participation in the system pursuant to section 86.251, and zero percent of the compensation of  
7 each member who is participating in the DROP or whose participation in the DROP has ended  
8 but who has not returned to active participation in the system pursuant to section 86.251.

9 2. The deductions provided for in this section shall be made notwithstanding that the  
10 minimum compensation provided by law for any member shall be reduced thereby. Every  
11 member shall be deemed to consent to the deductions made and provided for in this section, and  
12 shall receipt for the member's full salary or compensation and payment of salary or compensation  
13 less such deduction shall be a full and complete discharge and acquittance of all claims and  
14 demands whatsoever for services rendered during the period covered by the payment except as  
15 to benefits provided by sections 86.200 to 86.366. The [board] **chief** of police [commissioners]  
16 shall certify to the board of trustees on each and every payroll or in such other manner as the  
17 board of trustees shall prescribe the amount deducted, and such amounts shall be paid into the  
18 system and shall be credited together with members' interest thereon to the individual account  
19 of the member from whose compensation such deduction was made.

20           3. The board of trustees is authorized to grant additional benefits for such parts of  
21 contributions as were made prior to the adoption of the seven-percent rate for all members which  
22 were in excess of the compulsory contributions required of each member.

          86.1110. 1. Whenever a member is given a leave of absence for military service and  
2 returns to employment after discharge from the service, such member shall be entitled to  
3 creditable service for the years of employment prior to the leave of absence.

4           2. Except as provided in subsection 3 of this section, a member who served on active  
5 duty in the Armed Forces of the United States and who became a member, or returned to  
6 membership, after discharge under honorable conditions, may elect prior to retirement to  
7 purchase creditable service equivalent to such service in the Armed Forces, not to exceed two  
8 years, provided the member is not receiving and is not eligible to receive retirement credits or  
9 benefits from any other public or private retirement plan for the service to be purchased, other  
10 than a United States military service retirement system or United States Social Security benefits  
11 attributable to such military service, and an affidavit so stating is filed by the member with the  
12 retirement system. A member electing to make such purchase shall pay to the retirement system  
13 an amount equal to the actuarial cost of the additional benefits attributable to the additional  
14 service credit to be purchased, as of the date the member elects to make such purchase. Payment  
15 in full of the amount due from a member electing to purchase creditable service under this  
16 subsection shall be made over a period not to exceed five years, measured from the date of  
17 election, or prior to the commencement date for payment of benefits to the member from the  
18 retirement system, whichever is earlier, including interest on unpaid balances compounded  
19 annually at the interest rate assumed from time to time for actuarial valuations of the retirement  
20 system. If payment in full including interest is not made within the prescribed period, any partial  
21 payments made by the member shall be refunded, and no creditable service attributable to such  
22 election, or as a result of any such partial payments, shall be allowed; provided that if a benefit  
23 commencement date occurs because of the death or disability of a member who has made an  
24 election under this subsection and if the member is current in payments under an approved  
25 installment plan at the time of the death or disability, such election shall be valid if the member,  
26 the surviving spouse, or other person entitled to benefit payments pays the entire balance of the  
27 remaining amount due, including interest to the date of such payment, within sixty days after the  
28 member's death or disability. The time of a disability shall be deemed to be the time when such  
29 member is retired by the board of police commissioners for reason of disability as provided in  
30 sections 86.900 to 86.1280.

31           3. Notwithstanding any other provision of sections 86.900 to 86.1280, **on or after**  
32 **August 28, 2015**, a member who [is on leave of absence for military service during any portion  
33 of which leave the United States is in a state of declared war, or a compulsory draft is in effect

34 for any of the military branches of the United States, or any units of the military reserves of the  
35 United States, including the National Guard, are mobilized for combat military operations,]  
36 **returns to service from a leave of absence for active duty military service** and who becomes  
37 entitled to reemployment rights and other employment benefits under Title 38, Chapter 43 of the  
38 U.S. Code, relating to employment and reemployment rights of members of the uniformed  
39 services by meeting the requirements for such rights and benefits under Section 4312 of said  
40 chapter, or the corresponding provisions of any subsequent applicable federal statute, shall be  
41 entitled to service credit for the time spent in such military service for all purposes of sections  
42 86.900 to 86.1280 [and such member shall not be required to pay any member contributions for  
43 such time. If it becomes necessary for the years of such service to be included in the calculation  
44 of such member's compensation for any purpose, such member shall be deemed to have received  
45 the same compensation throughout such period of service as the member's base annual salary  
46 immediately prior to the commencement of such leave of absence; provided, however, that the  
47 foregoing provisions of this subsection shall apply only to such portion of such leave with  
48 respect to which the cumulative length of the absence and of all previous absences from a  
49 position of employment with the employer by reason of service in the uniformed services does  
50 not exceed five years except for such period of any such excess as meets the requirements for  
51 exceptions to such five-year limitation set forth in the aforesaid Section 4312] **only to the extent**  
52 **such member pays any required member contributions for such time. The amount of**  
53 **required member contributions shall be calculated on the base compensation the member**  
54 **would have received during such leave period. The total amount of service credit that will**  
55 **be granted at the member contribution rate is limited to a maximum of five years. The**  
56 **retirement board may waive the required contributions for military leave of absence, not**  
57 **to exceed three years of creditable service, if the member provides duty orders under Title**  
58 **10 or Title 32 U.S.C. and discharge from active duty documentation in the form of a DD214**  
59 **or NGB23.**

86.1270. 1. A retirement plan under sections 86.900 to 86.1280 is a qualified plan under  
2 the provisions of applicable federal law. The benefits and conditions of a retirement plan under  
3 sections 86.900 to 86.1280 shall always be adjusted to ensure that the tax-exempt status is  
4 maintained.

5 2. The retirement board shall administer the retirement system in a manner as to retain  
6 at all times qualified status under Section 401(a) of the Internal Revenue Code.

7 3. The retirement board shall hold in trust the assets of the retirement system for the  
8 exclusive benefit of the members and their beneficiaries and for defraying reasonable  
9 administrative expenses of the system. No part of such assets shall, at any time prior to the  
10 satisfaction of all liabilities with respect to members and their beneficiaries, be used for or

11 diverted to any purpose other than such exclusive benefit or to any purpose inconsistent with  
12 sections 86.900 to 86.1280.

13 4. A member's benefit shall be one hundred percent vested and nonforfeitable upon the  
14 member's attainment of normal retirement age, which shall be the earlier of:

15 (1) Completion of twenty-five years of service for Tier I members and twenty-seven  
16 years of service for Tier II members;

17 (2) Age sixty for any Tier I member who has completed at least ten years of creditable  
18 service or age sixty for any Tier II member who has completed at least fifteen years of creditable  
19 service;

20 (3) Age seventy without regard to years of service; or

21 (4) To the extent funded, upon the termination of the system established under sections  
22 86.900 to 86.1280 or any partial termination which affects the members or any complete  
23 discontinuance of contributions by the city to the system. Amounts representing forfeited  
24 nonvested benefits of terminated members shall not be used to increase benefits payable from  
25 the system but may be used to reduce contributions for future plan years.

26 5. Distribution of benefits shall begin not later than April first of the year following the  
27 later of the calendar year during which the member becomes seventy and one-half years of age  
28 or the calendar year in which the member retires, and shall otherwise conform to Section  
29 401(a)(9) of the Internal Revenue Code.

30 6. A member or beneficiary of a member shall not accrue a service retirement annuity,  
31 disability retirement annuity, death benefit, whether death occurs in the line of duty or otherwise,  
32 or any other benefit under sections 86.900 to 86.1280 in excess of the benefit limits applicable  
33 to the fund under Section 415 of the Internal Revenue Code. The retirement board shall reduce  
34 the amount of any benefit that exceeds those limits by the amount of the excess. If the total  
35 benefits under the retirement system and the benefits and contributions to which any member is  
36 entitled under any other qualified plan or plans maintained by the board of police commissioners  
37 that employs the member would otherwise exceed the applicable limits under Section 415 of the  
38 Internal Revenue Code, the benefits the member would otherwise receive from the retirement  
39 system shall be reduced to the extent necessary to enable the benefits to comply with Section 415  
40 of the Internal Revenue Code.

41 7. The total salary taken into account for any purpose for any member of the retirement  
42 system shall not exceed two hundred thousand dollars per year, subject to periodic adjustments  
43 in accordance with guidelines provided by the United States Secretary of the Treasury, and shall  
44 not exceed such other limits as may be applicable at any given time under Section 401(a)(17) of  
45 the Internal Revenue Code.

46           8. If the amount of any benefit is to be determined on the basis of actuarial assumptions  
47 that are not otherwise specifically set forth for that purpose in sections 86.900 to 86.1280, the  
48 actuarial assumptions to be used are those earnings and mortality assumptions being used on the  
49 date of the determination by the retirement system's actuary and approved by the retirement  
50 board. The actuarial assumptions being used at any particular time shall be attached as an  
51 addendum to a copy of the retirement system's statute that is maintained by the retirement board  
52 and shall be treated for all purposes as a part of sections 86.900 to 86.1280. The actuarial  
53 assumptions may be changed by the retirement system's actuary annually if approved by the  
54 retirement board, but a change in actuarial assumptions shall not result in any decrease in  
55 benefits accrued as of the effective date of the change.

56           9. Any member or beneficiary who is entitled to receive any distribution that is an  
57 eligible rollover distribution, as defined by Section 402(c)(4) of the Internal Revenue Code, is  
58 entitled to have that distribution transferred directly to another eligible retirement plan of the  
59 member's or beneficiary's choice upon providing direction to the secretary of this retirement  
60 system regarding the transfer in accordance with procedures established by the retirement board.  
61 **Effective for distributions made on or after January 1, 2010, a nonspouse beneficiary may**  
62 **elect to directly rollover an eligible rollover distribution to an individual retirement**  
63 **account under Section 408(a) of the Internal Revenue Code of 1986, as amended; to an**  
64 **individual retirement annuity under Section 408(b) of the Internal Revenue Code of 1986,**  
65 **as amended; or if the participant satisfies the requirements for making a Roth contribution**  
66 **under Section 408(A)(c)(3)(B) of the Internal Revenue Code of 1986, as amended, to a Roth**  
67 **individual retirement account.**

68           10. For all distributions made after December 31, 2001:

69           (1) For the purposes of subsection 9 of this section, an eligible retirement plan shall also  
70 mean an annuity contract described in Section 403(b) of the Internal Revenue Code and an  
71 eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by the state,  
72 political subdivision of a state, or any agency or instrumentality of a state or political subdivision  
73 of a state and which agrees to separately account for amounts transferred into such plan from the  
74 retirement system. The definition of eligible retirement plan shall also apply in the case of a  
75 distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee  
76 under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue  
77 Code; and

78           (2) For purposes of subsection 9 of this section, a portion of a distribution shall not fail  
79 to be an eligible rollover distribution merely because the portion consists of after-tax employee  
80 contributions which are not includable in gross income. However, such portion may be paid only  
81 to an individual retirement account or annuity described in Section 408(a) or 408(b) of the



82 Internal Revenue Code, or to a qualified defined contribution plan described in Section 401(a)  
83 or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so  
84 transferred, including separately accounting for the portion of such distribution that is includable  
85 in gross income and the portion of such distribution that is not so includable.

86.1500. 1. Whenever a member is given a leave of absence for military service and  
2 returns to employment after discharge from the service, such member shall be entitled to  
3 creditable service for the years of employment prior to the leave of absence.

4 2. Except as provided in subsection 3 of this section, a member who served on active  
5 duty in the Armed Forces of the United States and who became a member, or returned to  
6 membership, after discharge under honorable conditions, may elect prior to retirement to  
7 purchase creditable service equivalent to such service in the Armed Forces, not to exceed two  
8 years, provided the member is not receiving and is not eligible to receive retirement credits or  
9 benefits from any other public or private retirement plan for the service to be purchased, other  
10 than a United States military service retirement system or United States Social Security benefits  
11 attributable to such military service, and an affidavit so stating is filed by the member with the  
12 retirement system. A member electing to make such purchase shall pay to the retirement system  
13 an amount equal to the actuarial cost of the additional benefits attributable to the additional  
14 service credit to be purchased, as of the date the member elects to make such purchase. Payment  
15 in full of the amount due from a member electing to purchase creditable service under this  
16 subsection shall be made over a period not to exceed five years, measured from the date of  
17 election, or prior to the commencement date for payment of benefits to the member from the  
18 retirement system, whichever is earlier, including interest on unpaid balances compounded  
19 annually at the interest rate assumed from time to time for actuarial valuations of the retirement  
20 system. If payment in full including interest is not made within the prescribed period, any partial  
21 payments made by the member shall be refunded, and no creditable service attributable to such  
22 election, or as a result of any such partial payments, shall be allowed; provided that if a benefit  
23 commencement date occurs because of the death or disability of a member who has made an  
24 election under this subsection and if the member is current in payments under an approved  
25 installment plan at the time of the death or disability, such election shall be valid if the member,  
26 the surviving spouse or other person entitled to benefit payments pays the entire balance of the  
27 remaining amount due, including interest to the date of such payment, within sixty days after the  
28 member's death or disability. The time of a disability shall be deemed to be the time when such  
29 member is determined by the retirement board to be totally and permanently disabled as provided  
30 in section 86.1560.

31 3. Notwithstanding any other provision of sections 86.1310 to 86.1640, **on or after**  
32 **August 28, 2015**, a member who [is on leave of absence for military service during any portion

33 of which leave the United States is in a state of declared war, or a compulsory draft is in effect  
34 for any of the military branches of the United States, or any units of the military reserves of the  
35 United States, including the National Guard, are mobilized for combat military operations,]  
36 **returns to service from a leave of absence for active duty military service** and who becomes  
37 entitled to reemployment rights and other employment benefits under Title 38, Chapter 43 of the  
38 U.S. Code, relating to employment and reemployment rights of members of the uniformed  
39 services by meeting the requirements for such rights and benefits under Section 4312 of said  
40 chapter, or the corresponding provisions of any subsequent applicable federal statute, shall be  
41 entitled to service credit for the time spent in such military service for all purposes of sections  
42 86.1310 to 86.1640 [and such member shall not be required to pay any member contributions for  
43 such time. If it becomes necessary for the years of such service to be included in the calculation  
44 of such member's compensation for any purpose, such member shall be deemed to have received  
45 the same compensation throughout such period of service as the member's base annual salary  
46 immediately prior to the commencement of such leave of absence; provided, however, that the  
47 foregoing provisions of this subsection shall apply only to such portion of such leave with  
48 respect to which the cumulative length of the absence and of all previous absences from a  
49 position of employment with the employer by reason of service in the uniformed services does  
50 not exceed five years except for such period of any such excess as meets the requirements for  
51 exceptions to such five-year limitation set forth in the aforesaid Section 4312] **only to the extent**  
52 **such member pays any required member contributions for such time. The amount of**  
53 **required member contributions shall be calculated on the base compensation the member**  
54 **would have received during such leave period. The total amount of service credit that will**  
55 **be granted at the member contribution rate is limited to a maximum of five years. The**  
56 **retirement board may waive the required contributions for military leave of absence, not**  
57 **to exceed three years of creditable service, if the member provides duty orders under Title**  
58 **10 or Title 32 U.S.C. and discharge from active duty documentation in the form of a DD214**  
59 **or NGB23.**

86.1630. 1. A retirement plan under sections 86.1310 to 86.1640 is a qualified plan  
2 under the provisions of applicable federal law. The benefits and conditions of a retirement plan  
3 under sections 86.1310 to 86.1640 shall always be adjusted to ensure that the tax-exempt status  
4 is maintained.

5 2. The retirement board shall administer this retirement system in such manner as to  
6 retain at all times qualified status under Section 401(a) of the Internal Revenue Code.

7 3. The retirement board shall hold in trust the assets of the retirement system for the  
8 exclusive benefit of the members and their beneficiaries and for defraying reasonable  
9 administrative expenses of the system. No part of such assets shall, at any time prior to the

10 satisfaction of all liabilities with respect to members and their beneficiaries, be used for or  
11 diverted to any purpose other than such exclusive benefit or to any purpose inconsistent with  
12 sections 86.1310 to 86.1640.

13 4. A member's benefit shall be one hundred percent vested and nonforfeitable upon the  
14 member's attainment of normal retirement age, which shall be the earlier of:

15 (1) The attaining of the age of sixty-five or the member's tenth anniversary of  
16 employment, whichever is later for any Tier I member, or the attaining of the age of sixty-seven  
17 or the member's twentieth anniversary of employment, whichever is later for any Tier II member;

18 (2) For any Tier I member when the total sum of age and years of creditable service  
19 equals or exceeds eighty, or for any Tier II member when the total sum of age and years of  
20 creditable service equals or exceeds eighty-five; or

21 (3) To the extent funded, upon the termination of the system established under sections  
22 86.1310 to 86.1640 or any partial termination which affects the member or any complete  
23 discontinuance of contributions by the city to the system. Amounts representing forfeited  
24 nonvested benefits of terminated members shall not be used to increase benefits payable from  
25 the system but may be used to reduce contributions for future plan years.

26 5. Distribution of benefits shall begin not later than April first of the year following the  
27 later of the calendar year during which the member becomes seventy and one-half years of age  
28 or the calendar year in which the member retires, and shall otherwise conform to Section  
29 401(a)(9) of the Internal Revenue Code.

30 6. A member or beneficiary of a member shall not accrue a service retirement annuity,  
31 disability retirement annuity, death benefit, whether death occurs in the line of duty or otherwise,  
32 or any other benefit under sections 86.1310 to 86.1640 in excess of the benefit limits applicable  
33 to the fund under Section 415 of the Internal Revenue Code. The retirement board shall reduce  
34 the amount of any benefit that exceeds the limits of this section by the amount of the excess. If  
35 the total benefits under the retirement system and the benefits and contributions to which any  
36 member is entitled under any other qualified plan or plans maintained by the board of police  
37 commissioners that employs the member would otherwise exceed the applicable limits under  
38 Section 415 of the Internal Revenue Code, the benefits the member would otherwise receive  
39 from the retirement system are reduced to the extent necessary to enable the benefits to comply  
40 with Section 415 of the Internal Revenue Code.

41 7. The total salary taken into account for any purpose for any member of the retirement  
42 system shall not exceed two hundred thousand dollars per year, subject to periodic adjustments  
43 in accordance with guidelines provided by the United States Secretary of the Treasury and may  
44 not exceed such other limits as may be applicable at any given time under Section 401(a)(17) of  
45 the Internal Revenue Code.

46           8. If the amount of any benefit is determined on the basis of actuarial assumptions that  
47 are not specifically set forth for that purpose in sections 86.1310 to 86.1640, the actuarial  
48 assumptions to be used are those earnings and mortality assumptions used on the date of the  
49 determination by the retirement system's actuary and approved by the retirement board. The  
50 actuarial assumptions used at any particular time shall be attached as an addendum to a copy of  
51 the retirement system's statute maintained by the retirement board and shall be treated for all  
52 purposes as part of sections 86.1310 to 86.1640. The actuarial assumptions may be changed by  
53 the retirement system's actuary annually if approved by the retirement board, but a change in  
54 actuarial assumptions shall not result in any decrease in benefits accrued as of the effective date  
55 of the change.

56           9. Any member or beneficiary who is entitled to receive any distribution that is an  
57 eligible rollover distribution, as defined by Section 402(c)(4) of the Internal Revenue Code, is  
58 entitled to have that distribution transferred directly to another eligible retirement plan of the  
59 member's or beneficiary's choice upon providing direction to the secretary of the retirement  
60 system regarding the transfer in accordance with procedures established by the retirement board.  
61 **Effective for distributions made on or after January 1, 2010, a nonspouse beneficiary may**  
62 **elect to directly rollover an eligible rollover distribution to an individual retirement**  
63 **account under Section 408(a) of the Internal Revenue Code of 1986, as amended; to an**  
64 **individual retirement annuity under Section 408(b) of the Internal Revenue Code of 1986,**  
65 **as amended; or if the participant satisfies the requirements for making a Roth contribution**  
66 **under Section 408(A)(c)(3)(B) of the Internal Revenue Code of 1986, as amended, to a Roth**  
67 **individual retirement account.**

68           10. For all distributions made after December 31, 2001:

69           (1) For the purposes of subsection 9 of this section, an eligible retirement plan shall also  
70 mean an annuity described in Section 403(b) of the Internal Revenue Code and an eligible plan  
71 under Section 457(b) of the Internal Revenue Code that is maintained by a state, political  
72 subdivision of a state, or any agency or instrumentality of a state or political subdivision of a  
73 state and which agrees to separately account for amounts transferred into such plan from the  
74 retirement system. The definition for eligible retirement plan shall also apply in the case of a  
75 distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee  
76 under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue  
77 Code; and

78           (2) For the purposes of subsection 9 of this section, a portion of a distribution shall not  
79 fail to be an eligible rollover distribution merely because the portion consists of after-tax  
80 employee contributions which are not includable in gross income. However, such portion may  
81 be paid only to an individual retirement account or annuity described in Section 408(a) or 408(b)

82 of the Internal Revenue Code, or to a qualified defined contribution plan described in Section  
83 401(a) or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so  
84 transferred, including separately accounting for the portion of such distribution that is includable  
85 in gross income and the portion of such distribution that is not so includable.

94.579. 1. The governing body of any home rule city with more than one hundred fifty-  
2 one thousand five hundred but fewer than one hundred fifty-one thousand six hundred  
3 inhabitants is hereby authorized to impose, by order or ordinance, a sales tax on all retail sales  
4 made within the city which are subject to sales tax under chapter 144. The tax authorized in this  
5 section shall not exceed one percent, and shall be imposed solely for the purpose of providing  
6 revenues for the operation of public safety departments, including police and fire departments,  
7 and for pension programs, and health care for employees and pensioners of the public safety  
8 departments. The tax authorized in this section shall be in addition to all other sales taxes  
9 imposed by law, and shall be stated separately from all other charges and taxes. The order or  
10 ordinance shall not become effective unless the governing body of the city submits to the voters  
11 residing within the city at a state general, primary, or special election a proposal to authorize the  
12 governing body of the city to impose a tax under this section. If the tax authorized in this section  
13 is not approved by the voters, then the city shall have an additional year during which to meet  
14 its required contribution payment beyond the time period described in section 105.683. If the  
15 city meets its required contribution payment in this time, then, notwithstanding the provisions  
16 of section 105.683 to the contrary, the delinquency shall not constitute a lien on the funds of the  
17 political subdivision, the board of such plan shall not be authorized to compel payment by  
18 application for writ of mandamus, and the state treasurer and the director of the department of  
19 revenue shall not withhold twenty-five percent of the certified contribution deficiency from the  
20 total moneys due the political subdivision from the state. The one-year extension shall only be  
21 available to the city on a one-time basis.

22 2. The ballot of submission for the tax authorized in this section shall be in substantially  
23 the following form:

24 Shall ..... (insert the name of the city) impose a sales tax at a rate of ..... (up  
25 to one) percent, solely for the purpose of providing revenues for the operation of public safety  
26 departments of the city?

27  YES  NO

28 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed  
29 to the question, place an "X" in the box opposite "NO".

30

31 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor  
32 of the question, then the tax shall become effective on the first day of the second calendar quarter

33 immediately following notification to the department of revenue. If a majority of the votes cast  
34 on the question by the qualified voters voting thereon are opposed to the question, then the tax  
35 shall not become effective unless and until the question is resubmitted under this section to the  
36 qualified voters and such question is approved by a majority of the qualified voters voting on the  
37 question.

38         3. All revenue collected under this section by the director of the department of revenue  
39 on behalf of any city, except for one percent for the cost of collection which shall be deposited  
40 in the state's general revenue fund, shall be deposited in a special trust fund, which is hereby  
41 created and shall be known as the "Public Safety Protection Sales Tax Fund", and shall be used  
42 solely for the designated purposes. Moneys in the fund shall not be deemed to be state funds,  
43 and shall not be commingled with any funds of the state. The director may make refunds from  
44 the amounts in the trust fund and credited to the city for erroneous payments and overpayments  
45 made, and may redeem dishonored checks and drafts deposited to the credit of such city. Any  
46 funds in the special trust fund which are not needed for current expenditures shall be invested  
47 in the same manner as other funds are invested. Any interest and moneys earned on such  
48 investments shall be credited to the fund. The director shall keep accurate records of the  
49 amounts in the fund, and such records shall be open to the inspection of the officers of such city  
50 and to the public. Not later than the tenth day of each month, the director shall distribute all  
51 moneys deposited in the fund during the preceding month to the city. Such funds shall be  
52 deposited with the treasurer of the city, and all expenditures of moneys from the fund shall be  
53 by an appropriation ordinance enacted by the governing body of the city.

54         4. On or after the effective date of the tax, the director of revenue shall be responsible  
55 for the administration, collection, enforcement, and operation of the tax, and sections 32.085 and  
56 32.087 shall apply. In order to permit sellers required to collect and report the sales tax to collect  
57 the amount required to be reported and remitted, but not to change the requirements of reporting  
58 or remitting the tax, or to serve as a levy of the tax, and in order to avoid fractions of pennies,  
59 the governing body of the city may authorize the use of a bracket system similar to that  
60 authorized in section 144.285, and notwithstanding the provisions of that section, this new  
61 bracket system shall be used where this tax is imposed and shall apply to all taxable transactions.  
62 Beginning with the effective date of the tax, every retailer in the city shall add the sales tax to  
63 the sale price, and this tax shall be a debt of the purchaser to the retailer until paid, and shall be  
64 recoverable at law in the same manner as the purchase price. For purposes of this section, all  
65 retail sales shall be deemed to be consummated at the place of business of the retailer.

66         5. All applicable provisions in sections 144.010 to 144.525 governing the state sales tax,  
67 and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax,  
68 and all exemptions granted to agencies of government, organizations, and persons under sections

69 144.010 to 144.525 are hereby made applicable to the imposition and collection of the tax. The  
 70 same sales tax permit, exemption certificate, and retail certificate required by sections 144.010  
 71 to 144.525 for the administration and collection of the state sales tax shall satisfy the  
 72 requirements of this section, and no additional permit or exemption certificate or retail certificate  
 73 shall be required; except that, the director of revenue may prescribe a form of exemption  
 74 certificate for an exemption from the tax. All discounts allowed the retailer under the state sales  
 75 tax for the collection of and for payment of taxes are hereby allowed and made applicable to the  
 76 tax. The penalties for violations provided in section 32.057 and sections 144.010 to 144.525 are  
 77 hereby made applicable to violations of this section. If any person is delinquent in the payment  
 78 of the amount required to be paid under this section, or in the event a determination has been  
 79 made against the person for the tax and penalties under this section, the limitation for bringing  
 80 suit for the collection of the delinquent tax and penalties shall be the same as that provided in  
 81 sections 144.010 to 144.525.

82 6. The governing body of any city that has adopted the sales tax authorized in this section  
 83 may submit the question of repeal of the tax to the voters on any date available for elections for  
 84 the city. The ballot of submission shall be in substantially the following form:

85 Shall ..... (insert the name of the city) repeal the sales tax imposed  
 86 at a rate of ..... (up to one) percent for the purpose of providing revenues for the operation of  
 87 public safety departments of the city?

88  YES  NO

89 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed  
 90 to the question, place an "X" in the box opposite "NO".

91

92 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor  
 93 of repeal, that repeal shall become effective on December thirty-first of the calendar year in  
 94 which such repeal was approved.

95

96 If a majority of the votes cast on the question by the qualified voters voting thereon are opposed  
 97 to the repeal, then the sales tax authorized in this section shall remain effective until the question  
 98 is resubmitted under this section to the qualified voters and the repeal is approved by a majority  
 99 of the qualified voters voting on the question.

100 7. The governing body of any city that has adopted the sales tax authorized in this section  
 101 shall submit the question of [repeal] **continuation** of the tax to the voters every five years from  
 102 the date of its inception on a date available for elections for the city. The ballot of submission  
 103 shall be in substantially the following form:

104 Shall ..... (insert the name of the city) [repeal the] **continue**  
105 **collecting a** sales tax imposed at a rate of ..... (up to one) percent for the purpose of  
106 providing revenues for the operation of public safety departments of the city?

107  YES  NO

108 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed  
109 to the question, place an "X" in the box opposite "NO".

110

111 If a majority of the votes cast on the question by the qualified voters voting thereon are [in favor  
112 of repeal, that] **opposed to continuation**, repeal shall become effective on December thirty-first  
113 of the calendar year in which such [repeal was] **continuation was failed to be** approved. If a  
114 majority of the votes cast on the question by the qualified voters voting thereon are [opposed to  
115 the repeal] **in favor of continuation**, then the sales tax authorized in this section shall remain  
116 effective until the question is resubmitted under this section to the qualified voters and [the  
117 repeal is] **continuation fails to be** approved by a majority of the qualified voters voting on the  
118 question.

119 8. Whenever the governing body of any city that has adopted the sales tax authorized in  
120 this section receives a petition, signed by a number of registered voters of the city equal to at  
121 least two percent of the number of registered voters of the city voting in the last gubernatorial  
122 election, calling for an election to repeal the sales tax imposed under this section, the governing  
123 body shall submit to the voters of the city a proposal to repeal the tax. If a majority of the votes  
124 cast on the question by the qualified voters voting thereon are in favor of the repeal, the repeal  
125 shall become effective on December thirty-first of the calendar year in which such repeal was  
126 approved. If a majority of the votes cast on the question by the qualified voters voting thereon  
127 are opposed to the repeal, then the sales tax authorized in this section shall remain effective until  
128 the question is resubmitted under this section to the qualified voters and the repeal is approved  
129 by a majority of the qualified voters voting on the question.

130 9. If the tax is repealed or terminated by any means, all funds remaining in the special  
131 trust fund shall continue to be used solely for the designated purposes, and the city shall notify  
132 the director of the department of revenue of the action at least ninety days before the effective  
133 date of the repeal and the director may order retention in the trust fund, for a period of one year,  
134 of two percent of the amount collected after receipt of such notice to cover possible refunds or  
135 overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of  
136 such accounts. After one year has elapsed after the effective date of abolition of the tax in such  
137 city, the director shall remit the balance in the account to the city and close the account of that  
138 city. The director shall notify each city of each instance of any amount refunded or any check  
139 redeemed from receipts due the city.



169.291. 1. The general administration and the responsibility for the proper operation of the retirement system are hereby vested in a board of trustees of twelve persons who shall be resident taxpayers of the school district, as follows:

(1) Four trustees to be appointed for terms of four years by the board of education; provided, however, that the terms of office of the first four trustees so appointed shall begin immediately upon their appointment and shall expire one, two, three, and four years from the date the retirement system becomes operative, respectively;

(2) **Until the election in 2016**, four trustees to be elected for terms of four years by and from the members of the retirement system; provided, however, that the terms of office of the first four trustees so elected shall begin immediately upon their election and shall expire one, two, three, and four years from the date the retirement system becomes operative, respectively, **but beginning at the election in 2016, three trustees;**

(3) **Beginning at the election in 2016, one trustee shall be a person employed as a teacher or administrator at a charter school, as "charter school" is defined in section 169.270, elected for a term of four years by and from the members of the retirement system;**

(4) The ninth trustee shall be the superintendent of schools of the school district;

~~[(4)]~~ (5) The tenth trustee shall be one retirant of the retirement system elected for a term of four years beginning the first day of January immediately following August 13, 1986, by the retirants of the retirement system;

~~[(5)]~~ (6) The eleventh trustee shall be appointed for a term of four years beginning the first day of January immediately following August 13, 1990, by the board of trustees described in subdivision (3) of section 182.701;

~~[(6)]~~ (7) The twelfth trustee shall be a retirant of the retirement system elected for a term of four years beginning the first day of January immediately following August 28, 1992, by the retirants of the retirement system.

2. If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled, except that the board of trustees may appoint a qualified person to fill the vacancy in the office of an elected member until the next regular election at which time a member shall be elected for the unexpired term. No vacancy or vacancies on the board of trustees shall impair the power of the remaining trustees to administer the retirement system pending the filling of such vacancy or vacancies.

3. In the event of a lapse of the school district's corporate organization as described in subsections 1 and 4 of section 162.081, the general administration and responsibility for the proper operation of the retirement system shall continue to be vested in a twelve-person board of trustees, all of whom shall be resident taxpayers of a city, other than a city not within a county,

37 of four hundred thousand or more. In such event, if vacancies occur in the offices of the four  
38 trustees appointed, prior to the lapse, by the board of education, or in the offices of the four  
39 trustees elected, prior to the lapse, by the members of the retirement system, or in the office of  
40 trustee held, prior to the lapse, by the superintendent of schools in the school district, as provided  
41 in subdivisions (1), (2) and (3) of subsection 1 of this section, the board of trustees shall appoint  
42 a qualified person to fill each vacancy and subsequent vacancies in the office of trustee for terms  
43 of up to four years, as determined by the board of trustees.

44 4. Each trustee shall, before assuming the duties of a trustee, take the oath of office  
45 before the court of the judicial circuit or one of the courts of the judicial circuit in which the  
46 school district is located that so far as it devolves upon the trustee, such trustee shall diligently  
47 and honestly administer the affairs of the board of trustees and that the trustee will not knowingly  
48 violate or willingly permit to be violated any of the provisions of the law applicable to the  
49 retirement system. Such oath shall be subscribed to by the trustee making it and filed in the  
50 office of the clerk of the circuit court.

51 5. Each trustee shall be entitled to one vote in the board of trustees. Seven trustees shall  
52 constitute a quorum at any meeting of the board of trustees. At any meeting of the board of  
53 trustees where a quorum is present, the vote of at least seven of the trustees in support of a  
54 motion, resolution or other matter is necessary to be the decision of the board; provided,  
55 however, that in the event of a lapse in the school district's corporate organization as described  
56 in subsections 1 and 4 of section 162.081, a majority of the trustees then in office shall constitute  
57 a quorum at any meeting of the board of trustees, and the vote of a majority of the trustees then  
58 in office in support of a motion, resolution or other matter shall be necessary to be the decision  
59 of the board.

60 6. The board of trustees shall have exclusive original jurisdiction in all matters relating  
61 to or affecting the funds herein provided for, including, in addition to all other matters, all claims  
62 for benefits or refunds, and its action, decision or determination in any matter shall be reviewable  
63 in accordance with chapter 536 or chapter 621. Subject to the limitations of sections 169.270  
64 to 169.400, the board of trustees shall, from time to time, establish rules and regulations for the  
65 administration of funds of the retirement system, for the transaction of its business, and for the  
66 limitation of the time within which claims may be filed.

67 7. The trustees shall serve without compensation. The board of trustees shall elect from  
68 its membership a chairman and a vice chairman. The board of trustees shall appoint an executive  
69 director who shall serve as the administrative officer of the retirement system and as secretary  
70 to the board of trustees. It shall employ one or more persons, firms or corporations experienced  
71 in the investment of moneys to serve as investment counsel to the board of trustees. The  
72 compensation of all persons engaged by the board of trustees and all other expenses of the board

73 necessary for the operation of the retirement system shall be paid at such rates and in such  
74 amounts as the board of trustees shall approve, and shall be paid from the investment income.

75 8. The board of trustees shall keep in convenient form such data as shall be necessary  
76 for actuarial valuations of the various funds of the retirement system and for checking the  
77 experience of the system.

78 9. The board of trustees shall keep a record of all its proceedings which shall be open to  
79 public inspection. It shall prepare annually and furnish to the board of education and to each  
80 member of the retirement system who so requests a report showing the fiscal transactions of the  
81 retirement system for the preceding fiscal year, the amount of accumulated cash and securities  
82 of the system, and the last balance sheet showing the financial condition of the system by means  
83 of an actuarial valuation of the assets and liabilities of the retirement system.

84 10. The board of trustees shall have, in its own name, power to sue and to be sued, to  
85 enter into contracts, to own property, real and personal, and to convey the same; but the members  
86 of such board of trustees shall not be personally liable for obligations or liabilities of the board  
87 of trustees or of the retirement system.

88 11. The board of trustees shall arrange for necessary legal advice for the operation of the  
89 retirement system.

90 12. The board of trustees shall designate a medical board to be composed of three or  
91 more physicians who shall not be eligible for membership in the system and who shall pass upon  
92 all medical examinations required under the provisions of sections 169.270 to 169.400, shall  
93 investigate all essential statements and certificates made by or on behalf of a member in  
94 connection with an application for disability retirement and shall report in writing to the board  
95 of trustees its conclusions and recommendations upon all matters referred to it.

96 13. The board of trustees shall designate an actuary who shall be the technical advisor  
97 of the board of trustees on matters regarding the operation of the retirement system and shall  
98 perform such other duties as are required in connection therewith. Such person shall be qualified  
99 as an actuary by membership as a Fellow of the Society of Actuaries or by similar objective  
100 standards.

101 14. At least once in each five-year period the actuary shall make an investigation into the  
102 actuarial experience of the members, retirants and beneficiaries of the retirement system and,  
103 taking into account the results of such investigation, the board of trustees shall adopt for the  
104 retirement system such actuarial assumptions as the board of trustees deems necessary for the  
105 financial soundness of the retirement system.

106 15. On the basis of such actuarial assumptions as the board of trustees adopts, the actuary  
107 shall make annual valuations of the assets and liabilities of the funds of the retirement system.

108           16. The rate of contribution payable by the employers shall equal one and ninety-nine  
109 one-hundredths percent, effective July 1, 1993; three and ninety-nine one-hundredths percent,  
110 effective July 1, 1995; five and ninety-nine one-hundredths percent, effective July 1, 1996; seven  
111 and one-half percent effective January 1, 1999, and for subsequent calendar years through 2013.  
112 For calendar year 2014 and each subsequent year, the rate of contribution payable by the  
113 employers for each year shall be determined by the actuary for the retirement system in the  
114 manner provided in subsection 4 of section 169.350 and shall be certified by the board of trustees  
115 to the employers at least six months prior to the date such rate is to be effective.

116           17. In the event of a lapse of a school district's corporate organization as described in  
117 subsections 1 and 4 of section 162.081, no retirement system, nor any of the assets of any  
118 retirement system, shall be transferred to or merged with another retirement system without prior  
119 approval of such transfer or merge by the board of trustees of the retirement system.

169.324. 1. The annual service retirement allowance payable pursuant to section  
2 169.320 shall be the retirant's number of years of creditable service multiplied by a percentage  
3 of the retirant's average final compensation, determined as follows:

4           (1) A retirant whose last employment as a regular employee ended prior to June 30,  
5 1999, shall receive an annual service retirement allowance payable pursuant to section 169.320  
6 in equal monthly installments for life equal to the retirant's number of years of creditable service  
7 multiplied by one and three-fourths percent of the person's average final compensation, subject  
8 to a maximum of sixty percent of the person's average final compensation;

9           (2) A retirant whose number of years of creditable service is greater than thirty-four and  
10 one-quarter on August 28, 1993, shall receive an annual service retirement allowance payable  
11 pursuant to section 169.320 in equal monthly installments for life equal to the retirant's number  
12 of years of creditable service as of August 28, 1993, multiplied by one and three-fourths percent  
13 of the person's average final compensation but shall not receive a greater annual service  
14 retirement allowance based on additional years of creditable service after August 28, 1993;

15           (3) A retirant who was an active member of the retirement system at any time on or after  
16 June 30, 1999, and who either retires before January 1, 2014, or is a member of the retirement  
17 system on December 31, 2013, and remains a member continuously to retirement shall receive  
18 an annual service retirement allowance payable pursuant to section 169.320 in equal monthly  
19 installments for life equal to the retirant's number of years of creditable service multiplied by two  
20 percent of the person's average final compensation, subject to a maximum of sixty percent of the  
21 person's final compensation;

22           (4) A retirant who becomes a member of the retirement system on or after January 1,  
23 2014, including any retirant who was a member of the retirement system before January 1, 2014,  
24 but ceased to be a member for any reason other than retirement, shall receive an annual service

25 retirement allowance payable pursuant to section 169.320 in equal monthly installments for life  
26 equal to the retirant's number of years of creditable service multiplied by one and three-fourths  
27 percent of the person's average final compensation, subject to a maximum of sixty percent of the  
28 person's average final compensation;

29 (5) Notwithstanding the provisions of subdivisions (1) to (4) of this subsection, effective  
30 January 1, 1996, any retirant who retired on, before or after January 1, 1996, with at least twenty  
31 years of creditable service shall receive at least three hundred dollars each month as a retirement  
32 allowance, or the actuarial equivalent thereof if the retirant elected any of the options available  
33 under section 169.326. Any retirant who retired with at least ten years of creditable service shall  
34 receive at least one hundred fifty dollars each month as a retirement allowance, plus fifteen  
35 dollars for each additional full year of creditable service greater than ten years but less than  
36 twenty years (or the actuarial equivalent thereof if the retirant elected any of the options available  
37 under section 169.326). Any beneficiary of a deceased retirant who retired with at least ten years  
38 of creditable service and elected one of the options available under section 169.326 shall also be  
39 entitled to the actuarial equivalent of the minimum benefit provided by this subsection,  
40 determined from the option chosen.

41 2. Except as otherwise provided in sections 169.331, 169.580 and 169.585, payment of  
42 a retirant's retirement allowance will be suspended for any month for which such person receives  
43 remuneration from the person's employer or from any other employer in the retirement system  
44 established by section 169.280 for the performance of services except any such person other than  
45 a person receiving a disability retirement allowance under section 169.322 may serve as a  
46 nonregular substitute, part-time or temporary employee for not more than six hundred hours in  
47 any school year without becoming a member and without having the person's retirement  
48 allowance discontinued, provided that through such substitute, part-time, or temporary  
49 employment, the person may earn no more than fifty percent of the annual salary or wages the  
50 person was last paid by the employer before the person retired and commenced receiving a  
51 retirement allowance, adjusted for inflation. If a person exceeds such hours limit or such  
52 compensation limit, payment of the person's retirement allowance shall be suspended for the  
53 month in which such limit was exceeded and each subsequent month in the school year for which  
54 the person receives remuneration from any employer in the retirement system. **In addition to**  
55 **the conditions set forth above, this subsection shall apply to any person retired and**  
56 **currently receiving a retirement allowance under sections 169.270 to 169.400, other than**  
57 **for disability, who is employed by a third party or is performing work as an independent**  
58 **contractor if such person is performing work in a district included in the retirement system**  
59 **as a temporary or long-term substitute teacher or in any other position that would**  
60 **normally require that person to be duly certificated under the laws governing the**

61 **certification of teachers in Missouri if such person was employed by the district. The**  
62 **retirement system may require the district, the third-party employer, the independent**  
63 **contractor, and the retiree subject to this subsection to provide documentation showing**  
64 **compliance with this subsection. If such documentation is not provided, the**  
65 **retirement system may deem the retiree to have exceeded the limitations provided in this**  
66 **subsection.** If a retirant is reemployed by any employer in any capacity, whether pursuant to this  
67 section, or section 169.331, 169.580, or 169.585, or as a regular employee, the amount of such  
68 person's retirement allowance attributable to service prior to the person's first retirement date  
69 shall not be changed by the reemployment. If the person again becomes an active member and  
70 earns additional creditable service, upon the person's second retirement the person's retirement  
71 allowance shall be the sum of:

72 (1) The retirement allowance the person was receiving at the time the person's retirement  
73 allowance was suspended, pursuant to the payment option elected as of the first retirement date,  
74 plus the amount of any increase in such retirement allowance the person would have received  
75 pursuant to subsection 3 of this section had payments not been suspended during the person's  
76 reemployment; and

77 (2) An additional retirement allowance computed using the benefit formula in effect on  
78 the person's second retirement date, the person's creditable service following reemployment, and  
79 the person's average final annual compensation as of the second retirement date. The sum  
80 calculated pursuant to this subsection shall not exceed the greater of sixty percent of the person's  
81 average final compensation as of the second retirement date or the amount determined pursuant  
82 to subdivision (1) of this subsection. Compensation earned prior to the person's first retirement  
83 date shall be considered in determining the person's average final compensation as of the second  
84 retirement date if such compensation would otherwise be included in determining the person's  
85 average final compensation.

86 3. The board of trustees shall determine annually whether the investment return on funds  
87 of the system can provide for an increase in benefits for retirants eligible for such increase. A  
88 retirant shall and will be eligible for an increase awarded pursuant to this section as of the second  
89 January following the date the retirant commenced receiving retirement benefits. Any such  
90 increase shall also apply to any monthly joint and survivor retirement allowance payable to such  
91 retirant's beneficiaries, regardless of age. The board shall make such determination as follows:

92 (1) After determination by the actuary of the investment return for the preceding year as  
93 of December thirty-first (the "valuation year"), the actuary shall recommend to the board of  
94 trustees what portion of the investment return is available to provide such benefits increase, if  
95 any, and shall recommend the amount of such benefits increase, if any, to be implemented as of  
96 the first day of the thirteenth month following the end of the valuation year, and first payable on

97 or about the first day of the fourteenth month following the end of the valuation year. The  
98 actuary shall make such recommendations so as not to affect the financial soundness of the  
99 retirement system, recognizing the following safeguards:

100 (a) The retirement system's funded ratio as of January first of the year preceding the year  
101 of a proposed increase shall be at least one hundred percent after adjusting for the effect of the  
102 proposed increase. The funded ratio is the ratio of assets to the pension benefit obligation;

103 (b) The actuarially required contribution rate, after adjusting for the effect of the  
104 proposed increase, may not exceed the then applicable employer and member contribution rate  
105 as determined under subsection 4 of section 169.350;

106 (c) The actuary shall certify to the board of trustees that the proposed increase will not  
107 impair the actuarial soundness of the retirement system;

108 (d) A benefit increase, under this section, once awarded, cannot be reduced in succeeding  
109 years;

110 (2) The board of trustees shall review the actuary's recommendation and report and shall,  
111 in their discretion, determine if any increase is prudent and, if so, shall determine the amount of  
112 increase to be awarded.

113 4. This section does not guarantee an annual increase to any retiree.

114 5. If an inactive member becomes an active member after June 30, 2001, and after a  
115 break in service, unless the person earns at least four additional years of creditable service  
116 without another break in service, upon retirement the person's retirement allowance shall be  
117 calculated separately for each separate period of service ending in a break in service. The  
118 retirement allowance shall be the sum of the separate retirement allowances computed for each  
119 such period of service using the benefit formula in effect, the person's average final  
120 compensation as of the last day of such period of service and the creditable service the person  
121 earned during such period of service; provided, however, if the person earns at least four  
122 additional years of creditable service without another break in service, all of the person's  
123 creditable service prior to and including such service shall be aggregated and, upon retirement,  
124 the retirement allowance shall be computed using the benefit formula in effect and the person's  
125 average final compensation as of the last day of such period of four or more years and all of the  
126 creditable service the person earned prior to and during such period.

127 6. Notwithstanding anything contained in this section to the contrary, the amount of the  
128 annual service retirement allowance payable to any retiree pursuant to the provisions of sections  
129 169.270 to 169.400, including any adjustments made pursuant to subsection 3 of this section,  
130 shall at all times comply with the provisions and limitations of Section 415 of the Internal  
131 Revenue Code of 1986, as amended, and the regulations thereunder, the terms of which are  
132 specifically incorporated herein by reference.

133           7. All retirement systems established by the laws of the state of Missouri shall develop  
134 a procurement action plan for utilization of minority and women money managers, brokers and  
135 investment counselors. Such retirement systems shall report their progress annually to the joint  
136 committee on public employee retirement and the governor's minority advocacy commission.

          169.450. 1. The general administration and responsibility for the proper operation of the  
2 retirement system and for making effective the provisions of sections 169.410 to 169.540 are  
3 hereby vested in a board of trustees of eleven persons, as follows:

4           (1) Four trustees to be appointed for terms of four years by the board of education;  
5 provided, however, that their terms shall be fixed so the terms of one of the trustees so appointed  
6 shall expire each year. The members of such board of trustees appointed by the board of  
7 education may be members of the board of education or other individuals deemed qualified to  
8 hold such positions by the board of education;

9           (2) Four trustees to be elected for terms of four years by and from the active members  
10 of the retirement system who shall hold office as trustees only while active members; provided,  
11 however, that their terms shall be fixed so that the terms of one of the trustees so elected shall  
12 expire each year; and provided further, that [not more than] **at least** two of such persons shall  
13 be teachers and [two] **not more than one** shall be [nonteachers] **a nonteacher, and beginning**  
14 **in 2016, one shall be a person employed as a teacher or administrator at a charter school,**  
15 **as "charter school" is defined in section 169.270, and elected for a term of four years by**  
16 **the members of the retirement system.** For the purposes of this subsection, a school  
17 administrator shall not be eligible for the positions established pursuant to this subdivision and  
18 shall be eligible for the position established pursuant to subdivision (4) of this subsection;

19           (3) Two trustees, who shall be retired members, to be elected for terms of four years by  
20 and from the retired members of the retirement system; provided, however, that the terms of  
21 office of the first two trustees so elected shall begin immediately upon their election and shall  
22 expire two and four years from the date of their election, respectively; and provided further, that  
23 not more than one of such persons shall be a teacher and one shall be a nonteacher;

24           (4) One member, who shall be a school administrator, to be elected for a term of four  
25 years by and from the active members of the retirement system who shall hold office as a trustee  
26 only while an active member; except that, the initial term of office of such trustee shall expire  
27 on December 31, 1999.

28           2. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the  
29 unexpired term in the same manner as the office was previously filled. No vacancy or vacancies  
30 on the board of trustees shall impair the power of the remaining trustees to administer the  
31 retirement system pending the filling of such vacancies.



32           3. In the event of a lapse of a school district's corporate organization as described in  
33 subsections 1 and 4 of section 162.081, or for any other reason, the general administration and  
34 the responsibility for the proper operation of the retirement system shall continue to be fully  
35 vested in the trustees then currently serving and such trustees shall continue to serve and be  
36 elected in the same manner as set forth in this statute as if no lapse had occurred, except that in  
37 the event of vacancies occurring in the office of trustees appointed by the board of education  
38 prior to the lapse, the board of trustees shall appoint a qualified person or persons to fill such  
39 vacancy or vacancies for terms of up to four years.

40           4. Trustees shall serve without compensation, and any trustee shall be reimbursed from  
41 the expense fund for all necessary expenses which the trustee may incur through service on the  
42 board of trustees.

43           5. Each trustee shall, within ten days after such trustee's appointment or election, take  
44 an oath of office before the clerk of the circuit court of the judicial circuit in which the school  
45 district is located that, so far as it devolves upon the trustee, the trustee will diligently and  
46 honestly administer the affairs of the board of trustees and that the trustee will not knowingly  
47 violate or willingly permit to be violated any of the provisions of the law applicable to the  
48 retirement system. Such oath shall be subscribed to by the trustee making it and filed in the  
49 office of the clerk of the circuit court.

50           6. The circuit court of the judicial circuit in which the school district is located shall have  
51 jurisdiction over the members of the board of trustees to require them to account for their official  
52 conduct in the management and disposition of the funds and property committed to their charge;  
53 to order, decree and compel payment by them to the public school retirement system of their  
54 school district of all sums of money, and of the value of all property which may have been  
55 improperly retained by them, or transferred to others, or which may have been lost or wasted by  
56 any violation of their duties or abuse of their powers as such members of such board; to remove  
57 any such member upon proof that the trustee has abused the trustee's trust or has violated the  
58 duties of the trustee's office; to restrain and prevent any alienation or disposition of property of  
59 such public school retirement system by the members, in cases where it may be threatened, or  
60 there is good reason to apprehend that it is intended to be made in fraud of the rights and interests  
61 of such public school retirement system. The jurisdiction conferred by sections 169.410 to  
62 169.540 shall be exercised as in ordinary cases upon petition, filed by the board of education of  
63 such school district, or by any two members of the board of trustees. Such petition shall be heard  
64 in a summary manner after ten days' notice in writing to the member complained of, and an  
65 appeal shall lie from the judgment of the circuit court as in other causes and be speedily  
66 determined, but such appeal shall not operate under any condition as a supersedeas of a judgment  
67 of removal from office.

68           7. Each trustee shall be entitled to one vote in the board of trustees. Six votes shall be  
69 necessary for a decision by the trustees at any meeting of the board of trustees.

70           8. Subject to the limitations of sections 169.410 to 169.540, the board of trustees shall,  
71 from time to time, establish rules and regulations for the administration of the retirement system,  
72 for eligibility for and determination of benefits under the retirement system, for the investment  
73 of retirement system assets, and for the transaction of the retirement system's business.

74           9. The board of trustees shall elect from its membership a chairman and shall, by  
75 majority vote of its members, appoint a secretary, who may be, but need not be, one of its  
76 members. It shall engage such actuarial and other services as shall be required to transact the  
77 business of the retirement system. It shall also engage an investment counselor who shall be  
78 experienced in the investment of moneys to advise the trustees on investments of the retirement  
79 system. The compensation of all persons engaged by the board of trustees and all other expenses  
80 of the board necessary for the operation of the retirement system shall be paid at such rates and  
81 in such amounts as the board of trustees shall approve.

82           10. The board of trustees shall keep in convenient form such data as shall be necessary  
83 for actuarial valuations of the assets of the retirement system and for checking the experience of  
84 the system.

85           11. The board of trustees shall keep a record of all its proceedings which shall be open  
86 to public inspection. It shall prepare annually and send to the board of education and to each  
87 member of the retirement system a report showing the fiscal transactions of the retirement system  
88 for the preceding fiscal year, a detailed listing of all salaries and expenditures incurred by the  
89 trustees for its operation, the amount of the accumulated cash and securities of the system, and  
90 the last balance sheet showing the financial condition of the system by means of an actuarial  
91 valuation of the assets and liabilities of the retirement system. The board of trustees shall also  
92 prepare or cause to be prepared an annual report concerning the operation of the retirement  
93 system herein provided for, which report shall be sent by the chairman of the board of trustees  
94 to the board of education.

95           12. The board of trustees shall arrange for necessary legal advice for the operation of the  
96 retirement system.

97           13. The board of trustees shall designate a medical board to be composed of three  
98 physicians, none of whom shall be eligible for benefits pursuant to sections 169.410 to 169.540,  
99 who shall arrange for and pass upon all medical examinations required pursuant to the provisions  
100 of sections 169.410 to 169.540, shall investigate all essential statements and certificates made  
101 by or on behalf of a member in connection with an application for disability retirement and shall  
102 report in writing to the board of trustees its conclusions and recommendations upon all matters  
103 referred to it.

104           14. The actuary shall be the technical adviser of the board of trustees on matters  
105 regarding the operation of the system created by sections 169.410 to 169.540 and shall perform  
106 such other duties as are required in connection therewith. Such person shall be qualified as an  
107 actuary by membership as a fellow in the Society of Actuaries or by objective standards which  
108 are no less stringent than those established by the Society of Actuaries.

109           15. At least once in each five-year period the actuary shall make an investigation into the  
110 actuarial experience of the retirement system, and taking into account the results of such  
111 investigation of the experience, the board of trustees shall adopt for the retirement system such  
112 actuarial assumptions as shall be deemed necessary.

113           16. On the basis of such actuarial assumptions as the board of trustees shall adopt, the  
114 actuary shall make an annual valuation of the assets and liabilities of the funds of the retirement  
115 system.

116           17. On the basis of the valuation the board of trustees shall certify the rates of  
117 contribution payable by the board of education.

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