

SECOND REGULAR SESSION

SENATE BILL NO. 714

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CROWELL.

Pre-filed December 22, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

3598S.021

AN ACT

To repeal sections 56.809, 70.605, 104.190, 104.480, and 169.020, RSMo, and to enact in lieu thereof six new sections relating to retirement system audits.

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

Section A. Sections 56.809, 70.605, 104.190, 104.480, and 169.020, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 29.212, 56.809, 70.605, 104.190, 104.480, and 169.020, to read as follows:

29.212. Any retirement system established by the state of Missouri or any political subdivision or instrumentality of the state for the purpose of providing retirement plan benefits for elected or appointed public officials or employees of the state of Missouri or any political subdivision of the state may be audited by the state auditor every three years, or more frequently as otherwise required by law.

56.809. 1. The general administration and the responsibility for the proper operation of the fund are vested in a board of trustees of five persons. Trustees shall be elected by a secret ballot vote of the prosecuting attorneys and circuit attorneys of this state. Trustees shall be chosen for terms of four years from the first day of January next following their election except that the members of the first board shall be appointed by the governor by and with the consent of the senate after notification in writing, respectively, by the prosecuting attorneys and circuit attorneys of eighty percent of the counties in the state, including a city not within a county, that the prosecuting attorney or circuit attorney has elected to come under the provisions of sections 56.800 to 56.840. It shall be the responsibility of the initial board to establish procedures for the conduct of future elections of trustees and such procedures shall be

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

13 approved by a majority vote by secret ballot of the prosecuting attorneys and
14 circuit attorneys in this state. The board shall have all powers and duties that
15 are necessary and proper to enable it, its officers, employees and agents to fully
16 and effectively carry out all the purposes of sections 56.800 to 56.840.

17 2. The board of trustees shall elect one of their number as chairman and
18 one of their number as vice chairman and may employ an administrator who shall
19 serve as executive secretary to the board. The Missouri office of prosecution
20 services, sections 56.750 to 56.775, may, in the discretion of the board of trustees,
21 act as administrative employees to carry out all of the purposes of sections 56.800
22 to 56.840. In addition, the board of trustees may appoint such other employees
23 as may be required. The board shall hold regular meetings at least once each
24 quarter. Other meetings may be called as necessary by the chairman or by any
25 three members of the board. Notice of such meetings shall be given in accordance
26 with chapter 610, RSMo.

27 3. The board of trustees shall appoint an actuary or firm of actuaries as
28 technical advisor to the board of trustees.

29 4. The board of trustees shall retain investment advisors to be investment
30 advisors to the board.

31 5. The board of trustees may retain legal counsel to advise the board and
32 represent the system in legal proceedings.

33 6. The board shall arrange for annual audits of the records and accounts
34 of the system by a certified public accountant or by a firm of certified public
35 accountants. The state auditor [shall examine such audits at least] **may audit**
36 **the system** once every three years and report to the board of trustees and to the
37 governor.

38 7. The board of trustees shall serve without compensation for their
39 services as such; except that each trustee shall be paid from the system's funds
40 for any necessary expenses incurred in the performance of duties authorized by
41 the board.

42 8. The board of trustees shall be authorized to appropriate funds from the
43 system for administrative costs in the operation of the system.

44 9. The board of trustees shall, from time to time, after receiving the advice
45 of its actuary, adopt such mortality and other tables of experience, and a rate or
46 rates of regular interest, as shall be necessary for the actuarial requirements of
47 the system, and shall require its executive secretary to keep in convenient form
48 such data as shall be necessary for actuarial investigations of the experience of

49 the system, and such data as shall be necessary for the annual actuarial
50 valuations of the system.

51 10. The board of trustees shall, after reasonable notice to all interested
52 parties, hear and decide questions arising from the administration of sections
53 56.800 to [56.835] **56.840**; except that within thirty days after a decision or order,
54 any member, retirant, beneficiary or political subdivision adversely affected by
55 that determination or order may make an appeal under the provisions of chapter
56 536, RSMo.

57 11. The board of trustees shall arrange for adequate surety bonds covering
58 the executive secretary and any other custodian of funds or investments of the
59 board. When approved by the board, such bonds shall be deposited in the office
60 of the Missouri secretary of state.

61 12. Subject to the limitations of sections 56.800 to [56.835] **56.840**, the
62 board of trustees shall formulate and adopt rules and regulations for the
63 government of its own proceedings and for the administration of the retirement
64 system.

65 13. The board of trustees shall be the trustees of the funds of the
66 system. Subject to the provisions of any applicable federal or state laws, the
67 board of trustees shall have full power to invest and reinvest the moneys of the
68 system, and to hold, purchase, sell, assign, transfer or dispose of any of the
69 securities and investments in which such moneys shall have been invested, as
70 well as the proceeds of such investments and such moneys.

71 14. Notwithstanding any other provision of the law to the contrary, the
72 board of trustees may delegate to its duly appointed investment advisors
73 authority to act in place of the board of trustees in the investment and
74 reinvestment of all or part of the moneys of the system, and may also delegate to
75 such advisors the authority to act in place of the board of trustees in the holding,
76 purchasing, selling, assigning, transferring or disposing of any or all of the
77 securities and investments in which such moneys shall have been invested, as
78 well as the proceeds of such investments and such moneys. Such investment
79 counselor shall be registered as an investment advisor with the United States
80 Securities and Exchange Commission. In exercising or delegating its investment
81 powers and authority, members of the board of trustees shall exercise ordinary
82 business care and prudence under the facts and circumstances prevailing at the
83 time of the action or decision. In so doing, the board of trustees shall consider
84 the long-term and short-term needs of the system in carrying out its purposes, the

85 system's present and anticipated financial requirements, the expected total return
86 on the system's investment, the general economic conditions, income, growth,
87 long-term net appreciation, and probable safety of funds. No member of the board
88 of trustees shall be liable for any action taken or omitted with respect to the
89 exercise of or delegation of these powers and authority if such member shall have
90 discharged the duties of his or her position in good faith and with that degree of
91 diligence, care and skill which prudent men and women would ordinarily exercise
92 under similar circumstances in a like position.

93 15. The board shall keep a record of its proceedings which shall be open
94 to public inspection. It shall annually prepare a report showing the financial
95 condition of the system. The report shall contain, but not be limited to, an
96 auditor's opinion, financial statements prepared in accordance with generally
97 accepted accounting principles, an actuary's certification along with actuarial
98 assumptions and financial solvency tests.

70.605. 1. For the purpose of providing for the retirement or pensioning
2 of the officers and employees and the widows and children of deceased officers
3 and employees of any political subdivision of the state, there is hereby created
4 and established a retirement system which shall be a body corporate, which shall
5 be under the management of a board of trustees herein described, and shall be
6 known as the "Missouri Local Government Employees' Retirement System". Such
7 system may sue and be sued, transact business, invest funds, and hold cash,
8 securities, and other property. All suits or proceedings directly or indirectly
9 against the system shall be brought in Cole County. The system shall begin
10 operations on the first day of the calendar month next following sixty days after
11 the date the board of trustees has received certification from ten political
12 subdivisions that they have elected to become employers.

13 2. The general administration and the responsibility for the proper
14 operation of the system is vested in a board of trustees of seven persons: three
15 persons to be elected as trustees by the members of the system; three persons to
16 be elected trustees by the governing bodies of employers; and one person, to be
17 appointed by the governor, who is not a member, retirant, or beneficiary of the
18 system and who is not a member of the governing body of any political
19 subdivision.

20 3. Trustees shall be chosen for terms of four years from the first day of
21 January next following their election or appointment, except that of the first
22 board shall all be appointed by the governor by and with the consent of the

23 senate, as follows:

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

27 (2) Three persons who are employees of political subdivisions and who
28 would, if the subdivision by which they are employed becomes an employer, be
29 eligible as members, one for a term of three years, one for a term of two years,
30 and one for a term of one year; and

31 (3) That person appointed by the governor under the provisions of
32 subsection 2 of this section. All the members of the first board shall take office
33 as soon as appointed by the governor, but their terms shall be computed from the
34 first day of January next following their appointment, and only one member may
35 be from any political subdivision or be a policeman or fireman.

36 4. Successor trustees elected or appointed as member trustees shall be
37 members of the retirement system; provided, that not more than one member
38 trustee shall be employed by any one employer, and not more than one member
39 trustee shall be a policeman, and not more than one member trustee shall be a
40 fireman.

41 5. Successor trustees elected as employer trustees shall be elected or
42 appointed officials of employers and shall not be members of the retirement
43 system; provided, that not more than one employer trustee shall be from any one
44 employer.

45 6. An annual meeting of the retirement system shall be called by the
46 board in the last calendar quarter of each year in Jefferson City, or at such place
47 as the board shall determine, for the purpose of electing trustees and to transact
48 such other business as may be required for the proper operation of the
49 system. Notice of such meeting shall be sent by registered mail to the clerk or
50 secretary of each employer not less than thirty days prior to the date of such
51 meeting. The governing body of each employer shall certify to the board the name
52 of one delegate who shall be an officer of the employer, and the members of the
53 employer shall certify to the board a member of the employer to represent such
54 employer at such meeting. The delegate certified as member delegate shall be
55 elected by secret ballot by the members of such employer, and the clerk or
56 secretary of each employer shall be charged with the duty of conducting such
57 election in a manner which will permit each member to vote in such
58 election. Under such rules and regulations as the board shall adopt, approved by

59 the delegates, the member delegates shall elect a member trustee for each such
60 position on the board to be filled, and the officer delegates shall elect an employer
61 trustee for each such position on the board to be filled.

62 7. In the event any member trustee ceases to be a member of the
63 retirement system, or any employer trustee ceases to be an appointed or elected
64 official of an employer, or becomes a member of the retirement system, or if the
65 trustee appointed by the governor becomes a member of the retirement system or
66 an elected or appointed official of a political subdivision, or if any trustee fails to
67 attend three consecutive meetings of the board, unless in each case excused for
68 cause by the remaining trustees attending such meeting or meetings, he or she
69 shall be considered as having resigned from the board and the board shall, by
70 resolution, declare his or her office of trustee vacated. If a vacancy occurs in the
71 office of trustee, the vacancy shall be filled for the unexpired term in the same
72 manner as the office was previously filled; provided, however, that the remaining
73 trustees may fill employer and member trustee vacancies on the board until the
74 next annual meeting.

75 8. Each trustee shall be commissioned by the governor, and before
76 entering upon the duties of his office, shall take and subscribe to an oath or
77 affirmation to support the Constitution of the United States, and of the state of
78 Missouri, and to demean himself faithfully in his or her office. Such oath as
79 subscribed to shall be filed in the office of the secretary of state of this state.

80 9. Each trustee shall be entitled to one vote in the board of trustees. Four
81 votes shall be necessary for a decision by the trustees at any meeting of the board
82 of trustees. Four trustees, of whom at least two shall be member trustees and at
83 least two shall be employer trustees, shall constitute a quorum at any meeting
84 of the board. Unless otherwise expressly provided herein, a meeting need not be
85 called or held to make any decision on a matter before the board. Each member
86 must be sent by the executive secretary a copy of the matter to be decided with
87 full information from the files of the board. The concurring decisions of four
88 trustees may decide the issue by signing a document declaring their decision and
89 sending the written instrument to the executive secretary, provided that no other
90 trustee shall send a dissenting decision to the executive secretary within fifteen
91 days after the document and information was mailed to him or her. If any trustee
92 is not in agreement with the four trustees, the matter is to be passed on at a
93 regular board meeting or a special meeting called for that purpose. The board
94 shall hold regular meetings at least once each quarter, the dates of these

95 meetings to be designated in the rules and regulations adopted by the
96 board. Other meetings as deemed necessary may be called by the chairman or by
97 any four trustees acting jointly.

98 10. The board of trustees shall elect one of their number as chairman, and
99 one of their number as vice chairman, and shall employ an executive secretary,
100 not one of their number, who shall be the executive officer of the board. Other
101 employees of the board shall be chosen only upon the recommendation of the
102 executive secretary.

103 11. The board shall appoint an actuary or a firm of actuaries as technical
104 advisor to the board on matters regarding the operation of the system on an
105 actuarial basis. The actuary or actuaries shall perform such duties as are
106 required of him or her under sections 70.600 to 70.755, and as are from time to
107 time required by the board.

108 12. The board may appoint an attorney-at-law or firm of attorneys-at-law
109 to be the legal advisor of the board and to represent the board in all legal
110 proceedings.

111 13. The board may appoint an investment counselor to be the investment
112 advisor of the board.

113 14. The board shall from time to time, after receiving the advice of its
114 actuary, adopt such mortality and other tables of experience, and a rate or rates
115 of regular interest, as shall be necessary for the actuarial requirements of the
116 system, and shall require its executive secretary to keep in convenient form such
117 data as shall be necessary for actuarial investigations of the experience of the
118 system, and such data as shall be necessary for the annual actuarial valuations
119 of the system.

120 15. The board shall keep a record of its proceedings, which shall be open
121 to public inspection. It shall prepare annually and render to each employer a
122 report showing the financial condition of the system as of the preceding June
123 thirtieth. The report shall contain, but shall not be limited to, a financial balance
124 sheet; a statement of income and disbursements; a detailed statement of
125 investments acquired and disposed of during the year, together with a detailed
126 statement of the annual rates of investment income from all assets and from each
127 type of investment; an actuarial balance sheet prepared by means of the last
128 valuation of the system, and such other data as the board shall deem necessary
129 or desirable for a proper understanding of the condition of the system.

130 16. The board of trustees shall, after reasonable notice to all interested

131 parties, conduct administrative hearings to hear and decide questions arising
132 from the administration of sections 70.600 to 70.755; except, that such hearings
133 may be conducted by a hearing officer who shall be appointed by the board. The
134 hearing officer shall preside at the hearing and hear all evidence and rule on the
135 admissibility of evidence. The hearing officer shall make recommended findings
136 of fact and may make recommended conclusions of law to the board. All final
137 orders or determinations or other final actions by the board shall be approved in
138 writing by at least four members of the board. Any board member approving in
139 writing any final order, determination or other final action, who did not attend
140 the hearing, shall do so only after certifying that he or she reviewed all exhibits
141 and read the entire transcript of the hearing. Within thirty days after a decision
142 or order or final action of the board, any member, retirant, beneficiary or political
143 subdivision adversely affected by that determination or order or final action may
144 take an appeal under the provisions of chapter 536, RSMo. Jurisdiction over any
145 dispute regarding the interpretation of sections 70.600 to 70.755 and the
146 determinations required thereunder shall lie in the circuit court of Cole County.

147 17. The board shall arrange for adequate surety bonds covering the
148 executive secretary and any other custodian of the funds or investments of the
149 board. When approved by the board, said bonds shall be deposited in the office
150 of the secretary of state.

151 18. The board shall arrange for annual audits of the records and accounts
152 of the system by a certified public accountant or by a firm of certified public
153 accountants. The state auditor [shall examine such audits at least] **may audit**
154 **the system** once every three years and report to the board and the governor.

155 19. The headquarters of the retirement system shall be in Jefferson City.

156 20. The board of trustees shall serve as trustees without compensation for
157 their services as such; except that each trustee shall be paid for any necessary
158 expenses incurred in attending meetings of the board or in the performance of
159 other duties authorized by the board.

160 21. Subject to the limitations of sections 70.600 to 70.755, the board shall
161 formulate and adopt rules and regulations for the government of its own
162 proceedings and for the administration of the retirement system.

104.190. 1. The board shall keep a complete record of all its proceedings,
2 which shall be open at all reasonable hours to the inspection of any member. A
3 statement covering the operations of the system for the year, including income
4 and disbursements, and the financial condition of the system at the end of the

5 year, showing the actuarial valuation and appraisal of its assets and liabilities,
6 as of July first, shall each year be delivered to the governor of Missouri and be
7 made readily available to the members.

8 2. A system of member employment records necessary for the calculation
9 of retirement benefits shall be kept separate and apart from the customary
10 employee employment records.

11 3. The principal office of the system shall be located in Jefferson
12 City. The system shall have a seal bearing the inscription "Transportation
13 Department Employees' and Highway Patrol Retirement System", which shall be
14 in the custody of its executive director. The courts of this state shall take judicial
15 notice of the seal; and all copies of records, books, and written instruments which
16 are kept in the office of the system and are certified by the executive director
17 under said seal shall be proved or admitted in any court or proceeding as
18 provided by section 109.130, RSMo.

19 4. The board shall arrange for annual audits of the records and accounts
20 of the system by a certified public accountant or by a firm of certified public
21 accountants. The state auditor [shall examine such audits at least] **may audit**
22 **the system** once every three years and report to the board and the governor.

104.480. 1. The board shall keep a complete record of all its proceedings,
2 which shall be open at all reasonable hours to the inspection of any member.

3 2. A statement covering the operations of the system for the year,
4 including income and disbursements, and of the financial condition of the system
5 at the end of the year, showing the actuarial valuation and appraisal of its assets
6 and liabilities, as of July first, shall each year be delivered to the governor of
7 Missouri and be made readily available to the members.

8 3. The principal office of the system shall be in Jefferson City. The
9 system shall have a seal bearing the inscription "Missouri State Employees'
10 Retirement System", which shall be in the custody of its director. The courts of
11 this state shall take judicial notice of the seal; and all copies of records, books,
12 and written instruments which are kept in the office of the system and are
13 certified by the director under the seal shall be proved or admitted in any court
14 or proceeding as provided by section 109.130, RSMo.

15 4. The board shall arrange for annual audits of the records and accounts
16 of the system by a certified public accountant or by a firm of certified public
17 accountants. The state auditor [shall examine such audits at least] **may audit**
18 **the system** once every three years and report to the board and the governor.

169.020. 1. For the purpose of providing retirement allowances and other
2 benefits for public school teachers, there is hereby created and established a
3 retirement system which shall be a body corporate, shall be under the
4 management of a board of trustees herein described, and shall be known as "The
5 Public School Retirement System of Missouri". Such system shall, by and in such
6 name, sue and be sued, transact all of its business, invest all of its funds, and
7 hold all of its cash, securities, and other property. The system so created shall
8 include all school districts in this state, except those in cities that had
9 populations of four hundred thousand or more according to the latest United
10 States decennial census, and such others as are or hereafter may be included in
11 a similar system or in similar systems established by law and made operative;
12 provided, that teachers in school districts of more than four hundred thousand
13 inhabitants who are or may become members of a local retirement system may
14 become members of this system with the same legal benefits as accrue to present
15 members of such state system on the terms and under the conditions provided for
16 in section 169.021. The system hereby established shall begin operations on the
17 first day of July next following the date upon which sections 169.010 to 169.130
18 shall take effect.

19 2. The general administration and the responsibility for the proper
20 operation of the retirement system and for making effective the provisions of
21 sections 169.010 to 169.141 are hereby vested in a board of trustees of seven
22 persons as follows: four persons to be elected as trustees by the members and
23 retired members of the public school retirement system created by sections
24 169.010 to 169.141 and the public education employee retirement system created
25 by sections 169.600 to 169.715; and three members appointed by the governor
26 with the advice and consent of the senate. The first member appointed by the
27 governor shall replace the commissioner of education for a term beginning August
28 28, 1998. The other two members shall be appointed by the governor at the time
29 each member's, who was appointed by the state board of education, term expires.

30 3. Trustees appointed and elected shall be chosen for terms of four years
31 from the first day of July next following their appointment or election, except that
32 one of the elected trustees shall be a member of the public education employee
33 retirement system and shall be initially elected for a term of three years from
34 July 1, 1991. The initial term of one other elected trustee shall commence on
35 July 1, 1992.

36 4. Trustees appointed by the governor shall be residents of school districts

37 included in the retirement system, but not employees of such districts or a state
38 employee or a state elected official. At least one trustee so appointed shall be a
39 retired member of the public school retirement system or the public education
40 employee retirement system. Three elected trustees shall be members of the
41 public school retirement system and one elected trustee shall be a member of the
42 public education employee retirement system.

43 5. The elections of the trustees shall be arranged for, managed and
44 conducted by the board of trustees of the retirement system.

45 6. If a vacancy occurs in the office of trustee, the vacancy shall be filled
46 for the unexpired term in the same manner as the office was previously filled.

47 7. Trustees of the retirement system shall serve without compensation but
48 they shall be reimbursed for expenses necessarily incurred through service on the
49 board of trustees.

50 8. Each trustee shall be commissioned by the governor, and before
51 entering upon the duties of the trustee's office, shall take and subscribe to an
52 oath or affirmation to support the Constitution of the United States, and of the
53 state of Missouri and to demean himself or herself faithfully in the trustee's
54 office. Such oath as subscribed to shall be filed in the office of secretary of state
55 of this state.

56 9. Each trustee shall be entitled to one vote in the board of trustees. Four
57 votes shall be necessary for a decision by the trustees at any meeting of the board
58 of trustees. Unless otherwise expressly provided herein, a meeting need not be
59 called or held to make any decision on a matter before the board. Each member
60 must be sent by the executive director a copy of the matter to be decided with full
61 information from the files of the board of trustees. The unanimous decision of
62 four trustees may decide the issue by signing a document declaring their decision
63 and sending such written instrument to the executive director of the board,
64 provided that no other member of the board of trustees shall send a dissenting
65 decision to the executive director of the board within fifteen days after such
66 document and information was mailed to the trustee. If any member is not in
67 agreement with four members the matter is to be passed on at a regular board
68 meeting or a special meeting called for the purpose.

69 10. The board of trustees shall elect one of their number as chairman, and
70 shall employ a full-time executive director, not one of their number, who shall be
71 the executive officer of the board. Other employees of the board shall be chosen
72 only upon the recommendation of the executive director.

73 11. The board of trustees shall employ an actuary who shall be its
74 technical advisor on matters regarding the operation of the retirement system,
75 and shall perform such duties as are essential in connection therewith, including
76 the recommendation for adoption by the board of mortality and other necessary
77 tables, and the recommendation of the level rate of contributions required for
78 operation of the system.

79 12. As soon as practicable after the establishment of the retirement
80 system, and annually thereafter, the actuary shall make a valuation of the
81 system's assets and liabilities on the basis of such tables as have been adopted.

82 13. At least once in the three-year period following the establishment of
83 the retirement system, and in each five-year period thereafter, the board of
84 trustees shall cause to be made an actuarial investigation into the mortality,
85 service, and compensation experience of the members and beneficiaries of the
86 system, and shall make any changes in the mortality, service, and other tables
87 then in use which the results of the investigation show to be necessary.

88 14. Subject to the limitations of sections 169.010 to 169.141 and 169.600
89 to 169.715, the board of trustees shall formulate and adopt rules and regulations
90 for the government of its own proceedings and for the administration of the
91 retirement system.

92 15. The board of trustees shall determine and decide all questions of
93 doubt as to what constitutes employment within the meaning of sections 169.010
94 to 169.141 and 169.600 to 169.715, the amount of benefits to be paid to members,
95 retired members, beneficiaries and survivors and the amount of contributions to
96 be paid by employer and employee. The executive director shall notify by
97 certified mail both employer and member, retired member, beneficiary or survivor
98 interested in such determination. Any member, retired member, beneficiary or
99 survivor, district or employer adversely affected by such determination, at any
100 time within thirty days after being notified of such determination, may appeal to
101 the circuit court of Cole County. Such appeal shall be tried and determined anew
102 in the circuit court and such court shall hear and consider any and all competent
103 testimony relative to the issues in the case, which may be offered by either party
104 thereto. The circuit court shall determine the rights of the parties under sections
105 169.010 to 169.141 and 169.600 to 169.715 using the same standard provided in
106 section 536.150, RSMo, and the judgment or order of such circuit court shall be
107 binding upon the parties and the board shall carry out such judgment or order
108 unless an appeal is taken from such decision of the circuit court. Appeals may

109 be had from the circuit court by the employer, member, retired member,
110 beneficiary, survivor or the board, in the manner provided by the civil code.

111 16. The board of trustees shall keep a record of all its proceedings, which
112 shall be open to public inspection. It shall prepare annually a comprehensive
113 annual financial report, the financial section of which shall be prepared in
114 accordance with applicable accounting standards and shall include the
115 independent auditor's opinion letter. The report shall also include information
116 on the actuarial status and the investments of the system. The reports shall be
117 preserved by the executive director and made available for public inspection.

118 17. The board of trustees shall provide for the maintenance of an
119 individual account with each member, setting forth such data as may be
120 necessary for a ready determination of the member's earnings, contributions, and
121 interest accumulations. It shall also collect and keep in convenient form such
122 data as shall be necessary for the preparation of the required mortality and
123 service tables and for the compilation of such other information as shall be
124 required for the valuation of the system's assets and liabilities. All individually
125 identifiable information pertaining to members, retirees, beneficiaries and
126 survivors shall be confidential.

127 18. The board of trustees shall meet regularly at least twice each year,
128 with the dates of such meetings to be designated in the rules and regulations
129 adopted by the board. Such other meetings as are deemed necessary may be
130 called by the chairman of the board or by any four members acting jointly.

131 19. The headquarters of the retirement system shall be in Jefferson City,
132 where suitable office space, utilities and other services and equipment necessary
133 for the operation of the system shall be provided by the board of trustees and all
134 costs shall be paid from funds of the system. All suits or proceedings directly or
135 indirectly against the board of trustees, the board's members or employees or the
136 retirement system established by sections 169.010 to 169.141 or 169.600 to
137 169.715 shall be brought in Cole County.

138 20. The board may appoint an attorney or firm of attorneys to be the legal
139 advisor to the board and to represent the board in legal proceedings, however, if
140 the board does not make such an appointment, the attorney general shall be the
141 legal advisor of the board of trustees, and shall represent the board in all legal
142 proceedings.

143 21. The board of trustees shall arrange for adequate surety bonds covering
144 the executive director. When approved by the board, such bonds shall be

145 deposited in the office of the secretary of state of this state.

146 22. The board shall arrange for annual audits of the records and accounts
147 of the system by a firm of certified public accountants[,]. The state auditor [shall
148 review the audit of the records and accounts of] **may audit** the system at least
149 once every three years and shall report the results to the board of trustees and
150 the governor.

151 23. The board by its rules may establish an interest charge to be paid by
152 the employer on any payments of contributions which are delinquent. The rate
153 charged shall not exceed the actuarially assumed rate of return on invested funds
154 of the pertinent system.

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Bill

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