

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 116

AN ACT

To repeal sections 21.760, 29.090, 29.180, 29.190, 29.200, 29.210, 29.230, 29.235, 29.250, 29.260, 29.270, 29.275, 29.340, 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 86.900, 86.990, 86.1000, 86.1010, 86.1030, 86.1100, 86.1110, 86.1150, 86.1180, 86.1210, 86.1220, 86.1230, 86.1240, 86.1250, 86.1270, 86.1310, 86.1380, 86.1420, 86.1500, 86.1530, 86.1540, 86.1580, 86.1590, 86.1610, 86.1630, 103.025, 104.190, 104.480, 169.020, and 238.272, RSMo, and to enact in lieu thereof fifty new sections relating to public accounts, with penalty provisions and an emergency clause for a certain section.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Sections 21.760, 29.090, 29.180, 29.190, 29.200,
2 29.210, 29.230, 29.235, 29.250, 29.260, 29.270, 29.275, 29.340,
3 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 86.900, 86.990,
4 86.1000, 86.1010, 86.1030, 86.1100, 86.1110, 86.1150, 86.1180,
5 86.1210, 86.1220, 86.1230, 86.1240, 86.1250, 86.1270, 86.1310,
6 86.1380, 86.1420, 86.1500, 86.1530, 86.1540, 86.1580, 86.1590,
7 86.1610, 86.1630, 103.025, 104.190, 104.480, 169.020, and
8 238.272, RSMo, is repealed and fifty new sections enacted in lieu
9 thereof, to be known as sections 29.005, 29.185, 29.190, 29.200,
10 29.210, 29.216, 29.221, 29.230, 29.235, 29.250, 29.260, 29.351,
11 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 86.900, 86.990,

1 86.1000, 86.1010, 86.1030, 86.1100, 86.1110, 86.1150, 86.1151,
2 86.1180, 86.1210, 86.1220, 86.1230, 86.1231, 86.1240, 86.1250,
3 86.1270, 86.1310, 86.1380, 86.1420, 86.1500, 86.1530, 86.1540,
4 86.1580, 86.1590, 86.1610, 86.1630, 103.025, 104.190, 104.480,
5 169.020, 208.1050, and 238.272, to read as follows:

6 29.005. As used in this chapter, the following terms mean:

7 (1) "Accounting system", the total structure of records and
8 procedures which discover, record, classify, and report
9 information on the financial position and operating results of a
10 governmental unit or any of its funds, balanced account groups,
11 and organizational components;

12 (2) "Audit", an independent, objective assessment of the
13 stewardship, performance, or cost of government policies,
14 programs, or operations, depending upon the type and scope of the
15 audit. All audits shall conform to the standards established by
16 the comptroller general of the United States for audits of
17 government entities, organizations, programs, activities, and
18 functions as presented in the publication Government Auditing
19 Standards;

20 (3) "Federal agency", any department, agency, or
21 instrumentality of the federal government and any federally owned
22 or controlled corporation;

23 (4) "Financial audits", audits providing an independent
24 assessment of whether an entity's reported financial information
25 is presented fairly in accordance with recognized criteria.
26 Financial audits shall consist of the following:

27 (a) Financial statement audits that shall:

28 a. Provide or disclaim an opinion about whether an entity's

1 financial statements are presented fairly in all material
2 respects in conformity with accounting principles generally
3 accepted in the United States or with another applicable
4 financial reporting framework; or

5 b. Report on internal control deficiencies and on
6 compliance with provisions of laws, regulations, contracts, and
7 grant agreements, as those controls and provisions relate to
8 financial transactions, systems, and processes; or

9 (b) Other financial audits of various scopes which may
10 include, but not be limited to:

11 a. Reporting on specified elements, accounts, or items of a
12 financial statement; and

13 b. Auditing compliance with requirements related to federal
14 award expenditures and other governmental financial assistance in
15 conjunction with a financial statement audit;

16 (5) "Internal control", the plans, policies, methods, and
17 procedures used to meet an entity's or organization's mission,
18 goals, and objectives. Internal control shall include the
19 processes and procedures for planning, organizing, directing, and
20 controlling operations, as well as management's system for
21 measuring, reporting, and monitoring performance;

22 (6) "Performance audits", audits that provide findings or
23 conclusions based on an evaluation of sufficient, appropriate
24 evidence against identified criteria. Performance audit
25 objectives shall include, but not be limited to, the following:

26 (a) Effectiveness and results. This objective may measure
27 the extent to which an entity, organization, activity, program,
28 or function is achieving its goals and objectives;

1 (b) Economy and efficiency. This objective shall assess
2 the costs and resources used to achieve results of an entity,
3 organization, activity, program, or function;

4 (c) Internal control. This objective shall assess one or
5 more components of an entity's internal control system, which is
6 designed to provide reasonable assurance of achieving effective
7 and efficient operations, reliable financial and performance
8 reporting, or compliance with applicable legal requirements; and

9 (d) Compliance. This objective shall assess compliance
10 with criteria established by provisions of laws, regulations,
11 contracts, and grant agreements or by other requirements that
12 could affect the acquisition, protection, use, and disposition of
13 an entity's resources and the quantity, quality, timeliness, and
14 cost of services the entity produces and delivers;

15 (7) "State agency", any department, institution, board,
16 commission, committee, division, bureau, officer, or official
17 which shall include any institution of higher education, mental
18 or specialty hospital, community college, or circuit court and
19 divisions of the circuit court.

20 29.185. When conducting an audit under this chapter, the
21 audit objectives as defined in the standards established by the
22 comptroller general of the United States shall determine the type
23 of audit to be conducted which may include financial and
24 performance audits. Neither the audit type nor the audit
25 objectives shall be mutually exclusive. An audit may include
26 either financial or performance audit objectives or one or more
27 objectives from both types of audits. A performance audit may
28 include one primary objective, such as economy and efficiency, or

1 a combination of objectives, such as internal control and
2 compliance.

3 29.190. The state auditor shall [prescribe the form of
4 books, receipts, vouchers and documents required to separate and
5 verify each transaction, and forms of reports and statements
6 required for the administration of such officer, or for the
7 information of the public. He shall also] prescribe a uniform
8 method and plan of publishing the county financial statement each
9 year for the information of the public. Such statement or
10 statements shall set forth the true financial condition of the
11 county, the revenues and receipts, expenditures and disbursements
12 for the year as compared with the budget for the year, the bonded
13 debt and other liabilities at the close of the year, the total
14 salaries, fees and all other emoluments received by all county
15 officers, and such other information as shall be prescribed by
16 the state auditor. The form of such statements shall follow the
17 recognized governmental reporting practices.

18 29.200. [The state auditor shall postaudit the accounts of
19 all state agencies and audit the treasury at least once annually.
20 Once every two years, and when he deems it necessary, proper or
21 expedient, the state auditor shall examine and postaudit the
22 accounts of all appointive officers of the state and of
23 institutions supported in whole or in part by the state. He
24 shall audit any executive department or agency of the state upon
25 the request of the governor.] 1. Except as provided under
26 subsection 2 of this section, all audits conducted under this
27 chapter may be made at the discretion of the auditor without
28 advance notice to the organization being audited. An audit also

1 shall be conducted upon the request of the governor as provided
2 under section 26.060, and the expenses for any such audit
3 conducted upon the request of the governor shall be paid as
4 provided in section 26.090.

5 2. The auditor, on his or her initiative and as often as he
6 or she deems necessary, to the extent deemed practicable and
7 consistent with the overall responsibility as contained in this
8 chapter, shall make or cause to be made audits of all or any part
9 of the activities of the state agencies.

10 3. The auditor shall make, or cause to be made, audits of
11 all or any parts of political subdivisions and other entities as
12 authorized in this chapter or any other law of this state.

13 4. In selecting audit areas and in evaluating current audit
14 activity, the auditor may, at his or her discretion, consider and
15 utilize, in whole or in part, the relevant audit coverage and
16 applicable reports of the audit staffs of the various state
17 agencies, independent contractors, and federal agencies.

18 5. The auditor shall be authorized to contract with federal
19 audit agencies, or any governmental agency, on a cost
20 reimbursement basis, to perform audits of federal grant programs
21 administered by the state departments and institutions in
22 accordance with agreements negotiated between the auditor and the
23 contracting federal audit agencies or any governmental agency.

24 In instances where the grantee state agency shall subgrant such
25 federal funds to local governments, regional councils of
26 government, other local groups, or private or semiprivate
27 institutions or agencies, the auditor shall have the authority to
28 examine the books and records of these subgrantees to the extent

1 necessary to determine eligibility and proper use in accordance
2 with state and federal laws and regulations. The auditor shall
3 charge and collect from the contracting federal audit agencies,
4 or any governmental agencies, the actual cost of all the audits
5 of the grants and programs that are conducted by the auditor
6 under the contract. Amounts collected under these arrangements
7 shall be deposited into the state treasury and be credited to the
8 state auditor-federal fund and shall be available to hire
9 sufficient personnel to perform these contracted audits and to
10 pay for related travel, supplies, and other necessary expenses.

11 6. In the auditor's reports of audits and reports of
12 special investigations, the auditor shall make any comments,
13 suggestions, or recommendations deemed appropriate concerning any
14 aspect of such agency's activities and operations.

15 7. The auditor shall audit the state treasury at least once
16 annually.

17 8. The auditor may examine the banking accounts and records
18 of the state treasurer, state agency, or any political
19 subdivision at any bank or financial institution provided that
20 the bank or financial institution shall not be required to
21 produce the requested accounts or records until the auditor,
22 treasurer, state agency, or political subdivision reimburses the
23 reasonable document production costs of the bank or financial
24 institution.

25 9. The auditor may, as often as the auditor deems
26 necessary, conduct a detailed review of the bookkeeping and
27 accounting systems in use in the various state agencies that are
28 supported partially or entirely by state funds. Such

1 examinations shall be for the purpose of evaluating the adequacy
2 of systems in use by such agencies. In instances where the
3 auditor determines that existing systems are outmoded,
4 inefficient, or otherwise inadequate, the auditor shall recommend
5 changes to the state agency and notify the general assembly of
6 the recommended changes.

7 10. The auditor shall, through appropriate tests, determine
8 the propriety of the data presented in the state comprehensive
9 annual financial report, and shall express the auditor's opinion
10 in accordance with generally accepted government auditing
11 standards.

12 11. The auditor shall provide a report to the governor,
13 attorney general, and other appropriate officials of facts in the
14 auditor's possession which pertain to the apparent violation of
15 penal statutes or apparent instances of malfeasance, misfeasance,
16 or nonfeasance by an officer or employee.

17 12. At the conclusion of an audit, the auditor or the
18 auditor's designated representative shall supply a copy of a
19 draft report of the audit to, and discuss such draft with, the
20 official, or that official's designated representative, whose
21 office is subject to audit. On any audit of a state agency or
22 political subdivision of the state, the auditee shall provide
23 responses to any recommendations contained in the draft report
24 within thirty days from the receipt of the draft report.

25 13. The auditor shall notify the general assembly, the
26 governor, the director of each agency audited, and other persons
27 as the auditor deems appropriate that an audit report has been
28 published, its subject and title, and the locations, including

1 state libraries, at which the report is available. The auditor
2 then shall distribute copies of the report only to those who
3 request a report. The copies shall be available in written form
4 or available on the official website of the auditor. The auditor
5 may charge a reasonable fee for providing a written copy of an
6 audit report. The auditor also shall file a copy of the audit
7 report in the auditor's office; this copy shall be a permanent
8 public record. Nothing in this subsection shall be construed to
9 authorize or permit the publication of information that is
10 otherwise prohibited by law from being disclosed.

11 14. Nothing in this chapter shall be construed to infringe
12 upon or deprive the legislative, executive, or judicial branches
13 of state government of any rights, powers, or duties vested in or
14 imposed upon them by statute or the constitution of this state.

15 15. Nothing in this chapter shall be construed by the
16 courts of this state in a manner inconsistent with Article II of
17 the Constitution of Missouri.

18 16. The auditor shall be responsible for receiving reports
19 of allegations of improper governmental activities as provided in
20 section 29.221. The auditor shall adopt policies and procedures
21 necessary to provide for the investigation or referral of such
22 allegations.

23 17. In accordance with the state's records retention
24 schedule, the auditor shall maintain a complete file of all audit
25 reports and reports of other examinations, investigations,
26 surveys, and reviews issued under the auditor's authority. Audit
27 work papers and other evidence and related supportive material
28 directly pertaining to the work of the auditor's office shall be

1 retained according to an agreement between the auditor and the
2 state archives. To promote intergovernmental cooperation and
3 avoid unnecessary duplication of audit effort, pertinent work
4 papers and other supportive material related to issued audit
5 reports may be, at the discretion of the auditor and unless
6 otherwise prohibited by law, made available for inspection by
7 duly authorized representatives of the state and federal
8 government who desire access to, and inspection of, such records
9 in connection with a matter officially before them, including
10 criminal investigations. Except as provided in this section,
11 audit work papers and related supportive material shall be kept
12 confidential, including any interpretations, advisory opinions,
13 or other information or materials used and relied on in
14 performing the audit.

15 29.210. [In the year 1949 and every two years thereafter,
16 it shall be the duty of] Whenever the state auditor [to] conducts
17 an audit of the state highways and transportation commission and
18 the state transportation department[.], salaries of auditors,
19 examiners, clerks, stenographers and other employees of the state
20 auditor making such audit and all expenses incurred in making
21 such audit shall be paid monthly by the state highways and
22 transportation commission and the state transportation department
23 out of moneys appropriated to the state highways and
24 transportation commission and the state transportation department
25 [for that purpose], when such payrolls and expense accounts for
26 such purposes are certified to the state highways and
27 transportation commission and the state transportation department
28 by the state auditor.

1 29.216. The state auditor may make, or cause to be made,
2 audits of any public employee retirement or public employee
3 health care system operating within the state, which shall
4 include but not be limited to a public employee retirement or
5 public employee health care system established under sections
6 70.600 to 70.755 and chapters 50, 56, 103, 104, and 169.

7 29.221. 1. The auditor shall provide various means to
8 receive reports of allegations of improper governmental
9 activities, which shall include a telephone hotline, electronic
10 mail, and internet access. The auditor shall periodically
11 publicize the hotline telephone number, electronic mail address,
12 internet website address, and any other means by which the
13 auditor may receive reports of allegations of improper
14 governmental activities. Individuals who make a report under
15 this section may choose to remain anonymous until the individual
16 affirmatively consents to having the individual's identity
17 disclosed.

18 2. The auditor shall receive and initially review reports
19 of allegations of improper governmental activities of state
20 agencies, political subdivisions, or state or political
21 subdivision officers or employees within the scope of authority
22 set forth in this section, including misappropriation,
23 mismanagement, waste of resources, fraud, or violations of state
24 or federal law, rule or regulation. After conducting an initial
25 review, the auditor may investigate those allegations the auditor
26 deems to be credible. When the auditor believes that an
27 allegation of improper governmental activity is outside the
28 authority set forth in this section, the auditor shall refer the

1 allegation to the appropriate state agency responsible for the
2 enforcement or administration of the matter for investigation.

3 When the auditor believes that an allegation of improper
4 governmental activity involves matters set forth in this
5 subsection, those matters shall be referred as follows:

6 (1) Allegations of criminal misconduct to either the
7 attorney general or the prosecuting attorney for the county where
8 the alleged misconduct occurred;

9 (2) Allegations of violations of sections 105.450 to
10 105.496 to the Missouri ethics commission;

11 (3) Allegations of violations of chapter 115 to the
12 appropriate election authority or the secretary of state.

13 29.230. 1. In every county which does not elect a county
14 auditor, the state auditor shall audit, without cost to the
15 county, at least once during the term for which any county
16 officer is chosen, the accounts of the various county officers
17 supported in whole or in part by public moneys. [The audit shall
18 be made as near the expiration of the term of office as the
19 auditing force of the state auditor will permit.]

20 2. The state auditor shall audit any political subdivision
21 of the state, including counties having a county auditor, if
22 requested to do so by a petition signed by the requisite percent
23 of the qualified voters of the political subdivision. The
24 requisite percent of qualified voters to cause such an audit to
25 be conducted shall be determined as follows:

26 (1) If the number of qualified voters of the political
27 subdivision determined on the basis of the votes cast in the last
28 gubernatorial election held prior to the filing of the petition

1 is less than one thousand, twenty-five percent of the qualified
2 voters of the political subdivision determined on the basis of
3 the registered voters eligible to vote at the last gubernatorial
4 election held prior to the filing of the petition;

5 (2) If the number of qualified voters of the political
6 subdivision determined on the basis of the votes cast in the last
7 gubernatorial election held prior to the filing of the petition
8 is one thousand or more but less than five thousand, fifteen
9 percent of the qualified voters of the political subdivision
10 determined on the basis of the votes cast in the last
11 gubernatorial election held prior to the filing of the petition,
12 provided that the number of qualified voters signing such
13 petition is not less than two hundred;

14 (3) If the number of qualified voters of the political
15 subdivision determined on the basis of the votes cast in the last
16 gubernatorial election held prior to the filing of the petition
17 is five thousand or more but less than fifty thousand, ten
18 percent of the qualified voters of the political subdivision
19 determined on the basis of the votes cast in the last
20 gubernatorial election held prior to the filing of the petition,
21 provided that the number of qualified voters signing such
22 petition is not less than seven hundred fifty;

23 (4) If the number of qualified voters of the political
24 subdivision determined on the basis of the votes cast in the last
25 gubernatorial election held prior to the filing of the petition
26 is fifty thousand or more, five percent of the qualified voters
27 of the political subdivision determined on the basis of the votes
28 cast in the last gubernatorial election held prior to the filing

1 of the petition, provided that the number of qualified voters
2 signing such petition is not less than five thousand. The
3 political subdivision shall pay the actual cost of audit. The
4 petition that requests an audit of a political subdivision shall
5 state on its face the estimated cost of the audit and that it
6 will be paid by the political subdivision being audited. The
7 estimated cost of the audit shall be provided by the state
8 auditor within sixty days of such request. The costs of the
9 audit may be billed and paid on an interim basis with individual
10 billing periods to be set at the state auditor's discretion.
11 Moneys held by the state on behalf of a political subdivision may
12 be used to offset unpaid billings for audit costs of the
13 political subdivision. All moneys received by the state in
14 payment of the costs of petition audits shall be deposited in the
15 state treasury and credited to the "Petition Audit Revolving
16 Trust Fund" which is hereby created with the state treasurer as
17 custodian. The general assembly may appropriate additional
18 moneys to the fund as it deems necessary. The state auditor
19 shall administer the fund and approve all disbursements, upon
20 appropriation, from the fund to apply to the costs of performing
21 petition audits. The provisions of section 33.080 to the
22 contrary notwithstanding, money in the fund shall not be
23 transferred and placed to the credit of general revenue until the
24 amount in the fund at the end of any biennium exceeds one million
25 dollars. The amount in the fund which shall lapse is the amount
26 which exceeds one million dollars. No political subdivision
27 shall be audited by petition more than once in any three calendar
28 or fiscal years.

1 29.235. 1. [All audits shall conform to the standards for
2 auditing of governmental organizations, programs, activities and
3 functions established by the comptroller general of the United
4 States. The audit objectives as defined in the standards shall
5 determine the type of audit to be conducted.

6 2. The state auditor and any person appointed by him for
7 that purpose may administer oaths and cause to be summoned before
8 them any person whose testimony is desired or necessary in any
9 examination, and may require the person to produce necessary
10 papers, documents and writings.] The auditor and the auditor's
11 authorized agents are authorized to:

12 (1) Examine all books, accounts, records, reports,
13 vouchers, of any state agency, or entity subject to audit,
14 insofar as they are necessary to conduct an audit under this
15 chapter, provided that the auditor complies with state and
16 federal financial privacy requirements prior to accessing
17 financial records including provisions presented in chapter 408
18 and provided that the auditor or other public entity reimburses
19 the reasonable documentation and production costs relating to
20 compliance with examination by the auditor or auditor's
21 authorized agents that pertain to:

22 (a) Amounts received under a grant or contract from the
23 federal government or the state or its political subdivisions;

24 (b) Amounts received, disbursed, or otherwise handled on
25 behalf of the federal government or the state;

26 (2) Examine and inspect all property, equipment, and
27 facilities in the possession of any state agency, political
28 subdivision, or quasi-governmental entity that were furnished or

1 otherwise provided through grant, contract, or any other type of
2 funding by the state of Missouri or the federal government; and

3 (3) Review state tax returns, except such review shall be
4 limited to matters of official business, and the auditor's report
5 shall not violate the confidentiality provisions of tax laws.
6 Notwithstanding confidentiality provisions of tax laws to the
7 contrary, the auditor may use or disclose information related to
8 overdue tax debts in support of the auditor's statutory mission.

9 2. All contracts or agreements entered into as a result of
10 the award of a grant by state agencies or political subdivisions
11 shall include, as a necessary part, a clause describing the
12 auditor's access as provided under this section.

13 3. The auditor may obtain the services of certified public
14 accountants, qualified management consultants, or other
15 professional persons and experts as the auditor deems necessary
16 or desirable to carry out the duties and functions assigned under
17 this chapter. Unless otherwise authorized by law, no state
18 agency shall enter into any contract for auditing services
19 without consultation with, and the prior written approval of, the
20 auditor.

21 4. (1) For the purposes of this chapter, the auditor or
22 the auditor's authorized representatives shall have the power to
23 subpoena witnesses, to take testimony under oath, to cause the
24 deposition of witnesses residing within or without the state to
25 be taken in a manner prescribed by law, and to assemble records
26 and documents, by subpoena or otherwise. The subpoena power
27 granted by this section shall be exercised only at the specific
28 written direction of the auditor or the auditor's chief deputy.

1 (2) If any person refuses to comply with a subpoena, the
2 auditor shall seek to enforce the subpoena before a court of
3 competent jurisdiction to require the attendance and testimony of
4 witnesses and the production of books, papers, correspondence,
5 memoranda, contracts, agreements, and other records. Such court
6 may issue an order requiring such person to appear before the
7 auditor or officers designated by the auditor to produce records
8 or to give testimony relating to the matter under investigation
9 or in question. Any failure to comply with such order of the
10 court may be punished by such court as contempt.

11 29.250. [If any such officer or officers shall refuse] 1.
12 Any person who willfully makes or causes to be made, to the state
13 auditor or the auditor's designated representatives, any false,
14 misleading, or unfounded report for the purpose of interfering
15 with the performance of any audit, special review, or
16 investigation, or to hinder or obstruct the auditor or the
17 auditor's designated representatives in the performance of
18 duties, shall be guilty of a class A misdemeanor.

19 2. Any person or entity affected by this chapter who shall
20 refuse or fail to comply with the provisions of this chapter
21 shall be deemed guilty of a class A misdemeanor. Refusing or
22 failing to comply with the provisions of this chapter shall
23 include but not be limited to any person or entity failing to
24 submit their books, papers and concerns to the inspection of the
25 state auditor, or any of [his] the auditor's examiners, or if
26 anyone connected with the official duties of the state, county,
27 institution, or political subdivision of the state, shall refuse
28 to submit to be examined upon oath[, touching the officers of

1 such county or political subdivision,]_.

2 3. The state auditor shall report [the fact] any violation
3 of subsection 1 or 2 of this section to the prosecuting attorney,
4 who shall institute such action or proceedings against such
5 [officer or officers] person or entity as [he] the prosecutor may
6 deem proper.

7 29.260. [Nothing done in sections 29.010 to 29.360] The
8 provisions of this chapter shall not preclude any officer or
9 officers in charge of the offices and institutions mentioned in
10 [said sections] this chapter from having proper recourse in the
11 courts of law in this state.

12 [21.760.] 29.351. 1. During the regular legislative
13 session which convenes in an odd-numbered year, the general
14 assembly shall, by concurrent resolution, employ an independent
15 certified public accountant or certified public accounting firm
16 to conduct an audit examination of the accounts, functions,
17 programs, and management of the state auditor's office. The
18 audit examination shall be made in accordance with generally
19 accepted auditing standards, including such reviews and
20 inspections of books, records and other underlying data and
21 documents as are necessary to enable the independent certified
22 public accountant performing the audit to reach an informed
23 opinion on the condition and performance of the accounts,
24 functions, programs, and management of the state auditor's
25 office. Upon completion of the audit, the independent certified
26 public accountant shall make a written report of his findings and
27 conclusions, and shall supply each member of the general
28 assembly, the governor, and the state auditor with a copy of the

1 report. The cost of the audit and report shall be paid out of
2 the joint contingent fund of the general assembly.

3 2. The commissioner of administration shall bid these
4 services, at the direction of the general assembly, pursuant to
5 state purchasing laws.

6 50.055. The accounts of [counties] any county of the second
7 class, or the accounts of any officer or office of such county,
8 may be audited at any time, if the county commission determines
9 such an audit desirable or necessary, [every odd-numbered year
10 within six months after the determination of the preceding fiscal
11 year,] either by a certified public accountant employed by the
12 county commission or by the state auditor, as the county
13 commission may determine. If the audit is to be made by the
14 state auditor, the state auditor shall be requested by the county
15 commission to make the audit, as provided by law. Unless the
16 audit is requested for a particular officer or office, the audit
17 [herein provided shall] may also review the records of the
18 receipts and disbursements and the property inventory of every
19 officer or office of the county which receives or disburses money
20 on behalf of the county or which holds property belonging to the
21 county. Upon the completion of the investigation, the certified
22 public accountant or the state auditor, as the case may be, shall
23 render a report to the county commission [together with a
24 statement showing, under appropriate classifications, the
25 receipts and disbursements of the county during the period of the
26 audit. The first audit, as provided by this section, may be made
27 following the fiscal year of 1946, and such audit may be made
28 every two years thereafter]. The county commission shall provide

1 for the expense of such audit if made by a certified public
2 accountant employed by the county commission. For audits
3 performed by the state auditor, all expenses incurred in
4 performing the audit, including salaries of auditors, examiners,
5 clerks, and other employees of the state auditor, shall be paid
6 by the county or county commission and the monies are to be
7 deposited in the petition audit revolving trust fund pursuant to
8 section 29.230.

9 50.057. The accounts of any county of the first class not
10 having a charter form of government, or the accounts of any
11 officer or office of such county, may be audited at any time, if
12 the county commission determines such an audit desirable or
13 necessary, either by a certified public accountant employed by
14 the county commission or by the state auditor, as the county
15 commission may determine. If the audit is to be made by the
16 state auditor, the state auditor shall be requested by the county
17 commission to make the audit, as provided by law. Unless the
18 audit is requested only for a particular officer or office, the
19 audit shall also review the records of the receipts and
20 disbursements and the property inventory of every officer or
21 office of the county which receives or disburses money on behalf
22 of the county or which holds property belonging to the county.
23 Upon completion of the investigation, the certified public
24 accountant or the state auditor, as the case may be, shall render
25 a report to the county commission together with a statement
26 showing under appropriate classifications the receipts and
27 disbursements of the county or of the particular officer or
28 office of the county for which the audit was requested, as the

1 case may be, during the period covered by the audit. For audits
2 performed by the state auditor, all expenses incurred in
3 performing the audit, including salaries of auditors, examiners,
4 clerks, and other employees of the state auditor, shall be paid
5 by the county or county commission and the monies are to be
6 deposited in the petition audit revolving trust fund pursuant to
7 section 29.230.

8 50.622. 1. Any county may amend the annual budget during
9 any fiscal year in which the county receives additional funds,
10 and such amount or source, including but not limited to, federal
11 or state grants or private donations, could not be estimated when
12 the budget was adopted. The county shall follow the same
13 procedures as required in sections 50.525 to 50.745 for adoption
14 of the annual budget to amend its budget during a fiscal year.

15 2. Any county may decrease the annual budget twice during
16 any fiscal year in which the county experiences a verifiable
17 decline in funds of two percent or more, and such amount could
18 not be estimated or anticipated when the budget was adopted,
19 provided that any decrease in appropriations shall not unduly
20 affect any one officeholder. Before any reduction affecting an
21 independently elected officeholder can occur, negotiations shall
22 take place with all officeholders who receive funds from the
23 affected category of funds in an attempt to cover the shortfall.
24 The county shall follow the same procedures as required in
25 sections 50.525 to 50.745 to decrease the annual budget, except
26 that the notice provided for in section 50.600 shall be extended
27 to thirty days for purposes of this subsection. Such notice
28 shall include a published summary of the proposed reductions and

1 an explanation of the shortfall.

2 3. Any decrease in an appropriation authorized under
3 subsection 2 of this section shall not impact any dedicated fund
4 otherwise provided by law.

5 4. County commissioners may reduce budgets of departments
6 under their direct supervision and responsibility at any time
7 without the restrictions imposed by this section.

8 5. Subsections 2, 3, and 4 of this section shall expire on
9 July 1, 2016.

10 6. Notwithstanding the provisions of this section, no
11 charter county shall be restricted from amending its budget
12 pursuant to the terms of its charter.

13 50.1030. 1. The general administration and the
14 responsibility for the proper operation of the fund and the
15 system and the investment of the funds of the system are vested
16 in a board of directors of eleven persons. Nine directors shall
17 be elected by a secret ballot vote of the county employee members
18 of this state. Two directors, who have no beneficiary interest
19 in the system, shall be appointed by the governor with the advice
20 and consent of the senate. No more than one director at any one
21 time shall be employed by the same elected county office.
22 Directors shall be chosen for terms of four years from the first
23 day of January next following their election. It shall be the
24 responsibility of the board to establish procedures for the
25 conduct of future elections of directors and such procedures
26 shall be approved by a majority vote by secret ballot by members
27 of the system. The board shall have all powers and duties that
28 are necessary and proper to enable it, its officers, employees

1 and agents to fully and effectively carry out all the purposes of
2 sections 50.1000 to 50.1300.

3 2. The board of directors shall elect one of their number
4 as chairman and one of their number as vice chairman and may
5 employ an administrator who shall serve as secretary to the
6 board. The board shall hold regular meetings at least once each
7 quarter. Board meetings shall be held in Jefferson City. Other
8 meetings may be called as necessary by the chairman. Notice of
9 such meetings shall be given in accordance with chapter 610.

10 3. The board of directors shall retain an actuary as
11 technical advisor to the board.

12 4. The board of directors shall retain investment counsel
13 to be an investment advisor to the board.

14 5. The ~~[state auditor]~~ board shall ~~[provide for biennial]~~
15 arrange for annual audits of the Missouri county employees'
16 retirement system and the operations of the board[, to be paid
17 for out of the funds of the system] by a certified public
18 accountant or by a firm of certified public accountants.

19 6. The board of directors shall serve without compensation
20 for their services, but each director shall be paid out of the
21 funds of the system for any actual and necessary expenses
22 incurred in the performance of duties authorized by the board.

23 7. The board of directors shall be allowed administrative
24 costs for the operation of the system to be paid out of the funds
25 of the system.

26 8. The board shall keep a record of its proceedings which
27 shall be open to public inspection. It shall annually prepare a
28 report showing the financial condition of the system. The report

1 shall contain, but not be limited to, an auditor's opinion,
2 financial statements prepared in accordance with generally
3 accepted accounting principles, an actuary's certification along
4 with actuarial assumptions and financial solvency tests.

5 9. The board shall conduct an annual review, to determine
6 if, among other things, the following actions are actuarially
7 feasible:

8 (1) An adjustment to the formula described in section
9 50.1060, subject to the limitations of subsection 4 of section
10 50.1060;

11 (2) An adjustment in the flat dollar pension benefit credit
12 described in subsection 1 of section 50.1060;

13 (3) The cost-of-living increase as described in section
14 50.1070;

15 (4) An adjustment in the matching contribution described in
16 section 50.1230;

17 (5) An adjustment in the twenty-five year service cap on
18 creditable service;

19 (6) An adjustment to the target replacement ratio; or

20 (7) An additional benefit or enhancement which will improve
21 the quality of life of future retirees. Based upon the findings
22 of the actuarial review, the board may vote to change none, one,
23 or more than one of the above items, subject to the actuarial
24 guidelines outlined in section 50.1031.

25 56.809. 1. The general administration and the
26 responsibility for the proper operation of the fund are vested in
27 a board of trustees of five persons. Trustees shall be elected
28 by a secret ballot vote of the prosecuting attorneys and circuit

1 attorneys of this state. Trustees shall be chosen for terms of
2 four years from the first day of January next following their
3 election except that the members of the first board shall be
4 appointed by the governor by and with the consent of the senate
5 after notification in writing, respectively, by the prosecuting
6 attorneys and circuit attorneys of eighty percent of the counties
7 in the state, including a city not within a county, that the
8 prosecuting attorney or circuit attorney has elected to come
9 under the provisions of sections 56.800 to 56.840. It shall be
10 the responsibility of the initial board to establish procedures
11 for the conduct of future elections of trustees and such
12 procedures shall be approved by a majority vote by secret ballot
13 of the prosecuting attorneys and circuit attorneys in this state.
14 The board shall have all powers and duties that are necessary and
15 proper to enable it, its officers, employees and agents to fully
16 and effectively carry out all the purposes of sections 56.800 to
17 56.840.

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

1 given in accordance with chapter 610.

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

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

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

8 6. The board shall arrange for annual audits of the records
9 and accounts of the system by a certified public accountant or by
10 a firm of certified public accountants. [The state auditor shall
11 examine such audits at least once every three years and report to
12 the board of trustees and to the governor.]

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

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

20 9. The board of trustees shall, from time to time, after
21 receiving the advice of its actuary, adopt such mortality and
22 other tables of experience, and a rate or rates of regular
23 interest, as shall be necessary for the actuarial requirements of
24 the system, and shall require its executive secretary to keep in
25 convenient form such data as shall be necessary for actuarial
26 investigations of the experience of the system, and such data as
27 shall be necessary for the annual actuarial valuations of the
28 system.

1 10. The board of trustees shall, after reasonable notice to
2 all interested parties, hear and decide questions arising from
3 the administration of sections 56.800 to ~~[56.835]~~ 56.840; except
4 that within thirty days after a decision or order, any member,
5 retirant, beneficiary or political subdivision adversely affected
6 by that determination or order may make an appeal under the
7 provisions of chapter 536.

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

13 12. Subject to the limitations of sections 56.800 to
14 ~~[56.835]~~ 56.840, the board of trustees shall formulate and adopt
15 rules and regulations for the government of its own proceedings
16 and for the administration of the retirement system.

17 13. The board of trustees shall be the trustees of the
18 funds of the system. Subject to the provisions of any applicable
19 federal or state laws, the board of trustees shall have full
20 power to invest and reinvest the moneys of the system, and to
21 hold, purchase, sell, assign, transfer or dispose of any of the
22 securities and investments in which such moneys shall have been
23 invested, as well as the proceeds of such investments and such
24 moneys.

25 14. Notwithstanding any other provision of the law to the
26 contrary, the board of trustees may delegate to its duly
27 appointed investment advisors authority to act in place of the
28 board of trustees in the investment and reinvestment of all or

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

25 15. The board shall keep a record of its proceedings which
26 shall be open to public inspection. It shall annually prepare a
27 report showing the financial condition of the system. The report
28 shall contain, but not be limited to, an auditor's opinion,

1 financial statements prepared in accordance with generally
2 accepted accounting principles, an actuary's certification along
3 with actuarial assumptions and financial solvency tests.

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

19 2. The general administration and the responsibility for
20 the proper operation of the system is vested in a board of
21 trustees of seven persons: three persons to be elected as
22 trustees by the members of the system; three persons to be
23 elected trustees by the governing bodies of employers; and one
24 person, to be appointed by the governor, who is not a member,
25 retirant, or beneficiary of the system and who is not a member of
26 the governing body of any political subdivision.

27 3. Trustees shall be chosen for terms of four years from
28 the first day of January next following their election or

1 appointment, except that of the first board shall all be
2 appointed by the governor by and with the consent of the senate,
3 as follows:

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

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

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

18 4. Successor trustees elected or appointed as member
19 trustees shall be members of the retirement system; provided,
20 that not more than one member trustee shall be employed by any
21 one employer, and not more than one member trustee shall be a
22 policeman, and not more than one member trustee shall be a
23 fireman.

24 5. Successor trustees elected as employer trustees shall be
25 elected or appointed officials of employers and shall not be
26 members of the retirement system; provided, that not more than
27 one employer trustee shall be from any one employer.

28 6. An annual meeting of the retirement system shall be

1 called by the board in the last calendar quarter of each year in
2 Jefferson City, or at such place as the board shall determine,
3 for the purpose of electing trustees and to transact such other
4 business as may be required for the proper operation of the
5 system. Notice of such meeting shall be sent by registered mail
6 to the clerk or secretary of each employer not less than thirty
7 days prior to the date of such meeting. The governing body of
8 each employer shall certify to the board the name of one delegate
9 who shall be an officer of the employer, and the members of the
10 employer shall certify to the board a member of the employer to
11 represent such employer at such meeting. The delegate certified
12 as member delegate shall be elected by secret ballot by the
13 members of such employer, and the clerk or secretary of each
14 employer shall be charged with the duty of conducting such
15 election in a manner which will permit each member to vote in
16 such election. Under such rules and regulations as the board
17 shall adopt, approved by the delegates, the member delegates
18 shall elect a member trustee for each such position on the board
19 to be filled, and the officer delegates shall elect an employer
20 trustee for each such position on the board to be filled.

21 7. In the event any member trustee ceases to be a member of
22 the retirement system, or any employer trustee ceases to be an
23 appointed or elected official of an employer, or becomes a member
24 of the retirement system, or if the trustee appointed by the
25 governor becomes a member of the retirement system or an elected
26 or appointed official of a political subdivision, or if any
27 trustee fails to attend three consecutive meetings of the board,
28 unless in each case excused for cause by the remaining trustees

1 attending such meeting or meetings, he or she shall be considered
2 as having resigned from the board and the board shall, by
3 resolution, declare his or her office of trustee vacated. If a
4 vacancy occurs in the office of trustee, the vacancy shall be
5 filled for the unexpired term in the same manner as the office
6 was previously filled; provided, however, that the remaining
7 trustees may fill employer and member trustee vacancies on the
8 board until the next annual meeting.

9 8. Each trustee shall be commissioned by the governor, and
10 before entering upon the duties of his office, shall take and
11 subscribe to an oath or affirmation to support the Constitution
12 of the United States, and of the state of Missouri, and to demean
13 himself faithfully in his or her office. Such oath as subscribed
14 to shall be filed in the office of the secretary of state of this
15 state.

16 9. Each trustee shall be entitled to one vote in the board
17 of trustees. Four votes shall be necessary for a decision by the
18 trustees at any meeting of the board of trustees. Four trustees,
19 of whom at least two shall be member trustees and at least two
20 shall be employer trustees, shall constitute a quorum at any
21 meeting of the board. Unless otherwise expressly provided
22 herein, a meeting need not be called or held to make any decision
23 on a matter before the board. Each member must be sent by the
24 executive secretary a copy of the matter to be decided with full
25 information from the files of the board. The concurring
26 decisions of four trustees may decide the issue by signing a
27 document declaring their decision and sending the written
28 instrument to the executive secretary, provided that no other

1 trustee shall send a dissenting decision to the executive
2 secretary within fifteen days after the document and information
3 was mailed to him or her. If any trustee is not in agreement
4 with the four trustees, the matter is to be passed on at a
5 regular board meeting or a special meeting called for that
6 purpose. The board shall hold regular meetings at least once
7 each quarter, the dates of these meetings to be designated in the
8 rules and regulations adopted by the board. Other meetings as
9 deemed necessary may be called by the chairman or by any four
10 trustees acting jointly.

11 10. The board of trustees shall elect one of their number
12 as chairman, and one of their number as vice chairman, and shall
13 employ an executive secretary, not one of their number, who shall
14 be the executive officer of the board. Other employees of the
15 board shall be chosen only upon the recommendation of the
16 executive secretary.

17 11. The board shall appoint an actuary or a firm of
18 actuaries as technical advisor to the board on matters regarding
19 the operation of the system on an actuarial basis. The actuary
20 or actuaries shall perform such duties as are required of him or
21 her under sections 70.600 to 70.755, and as are from time to time
22 required by the board.

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

26 13. The board may appoint an investment counselor to be the
27 investment advisor of the board.

28 14. The board shall from time to time, after receiving the

1 advice of its actuary, adopt such mortality and other tables of
2 experience, and a rate or rates of regular interest, as shall be
3 necessary for the actuarial requirements of the system, and shall
4 require its executive secretary to keep in convenient form such
5 data as shall be necessary for actuarial investigations of the
6 experience of the system, and such data as shall be necessary for
7 the annual actuarial valuations of the system.

8 15. The board shall keep a record of its proceedings, which
9 shall be open to public inspection. It shall prepare annually
10 and render to each employer a report showing the financial
11 condition of the system as of the preceding June thirtieth. The
12 report shall contain, but shall not be limited to, a financial
13 balance sheet; a statement of income and disbursements; a
14 detailed statement of investments acquired and disposed of during
15 the year, together with a detailed statement of the annual rates
16 of investment income from all assets and from each type of
17 investment; an actuarial balance sheet prepared by means of the
18 last valuation of the system, and such other data as the board
19 shall deem necessary or desirable for a proper understanding of
20 the condition of the system.

21 16. The board of trustees shall, after reasonable notice to
22 all interested parties, conduct administrative hearings to hear
23 and decide questions arising from the administration of sections
24 70.600 to 70.755; except, that such hearings may be conducted by
25 a hearing officer who shall be appointed by the board. The
26 hearing officer shall preside at the hearing and hear all
27 evidence and rule on the admissibility of evidence. The hearing
28 officer shall make recommended findings of fact and may make

1 recommended conclusions of law to the board. All final orders or
2 determinations or other final actions by the board shall be
3 approved in writing by at least four members of the board. Any
4 board member approving in writing any final order, determination
5 or other final action, who did not attend the hearing, shall do
6 so only after certifying that he or she reviewed all exhibits and
7 read the entire transcript of the hearing. Within thirty days
8 after a decision or order or final action of the board, any
9 member, retirant, beneficiary or political subdivision adversely
10 affected by that determination or order or final action may take
11 an appeal under the provisions of chapter 536. Jurisdiction over
12 any dispute regarding the interpretation of sections 70.600 to
13 70.755 and the determinations required thereunder shall lie in
14 the circuit court of Cole County.

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

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

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

27 20. The board of trustees shall serve as trustees without
28 compensation for their services as such; except that each trustee

1 shall be paid for any necessary expenses incurred in attending
2 meetings of the board or in the performance of other duties
3 authorized by the board.

4 21. Subject to the limitations of sections 70.600 to
5 70.755, the board shall formulate and adopt rules and regulations
6 for the government of its own proceedings and for the
7 administration of the retirement system.

8 86.900. The following words and phrases as used in sections
9 86.900 to 86.1280 shall have the following meanings unless a
10 different meaning is plainly required by the context:

11 (1) "Accumulated contributions", the sum of all amounts
12 deducted from the compensation of a member and paid to the
13 retirement board, together with all amounts paid to the
14 retirement board by a member or by a member's beneficiary, for
15 the purchase of prior service credits or any other purpose
16 permitted under sections 86.900 to 86.1280;

17 (2) "Actuarial cost", the present value of a future payment
18 or series of payments as calculated by applying the actuarial
19 assumptions established according to subsection 8 of section
20 86.1270;

21 (3) "Beneficiary", any person entitled, either currently or
22 conditionally, to receive pension or other benefits provided in
23 sections 86.900 to 86.1280;

24 (4) "Board of police commissioners", the board composed of
25 police commissioners authorized by law to employ and manage an
26 organized police force in the cities;

27 (5) "City" or "cities", any city which now has or may
28 hereafter have a population of more than three hundred thousand

1 and less than seven hundred thousand inhabitants, or any city
2 that has made an election under section 86.910 to continue a
3 police retirement system maintained under sections 86.900 to
4 86.1280;

5 (6) "Compensation", the basic wage or salary paid a member
6 for any period on the basis of the member's rank and position,
7 excluding bonuses, overtime pay, expense allowances, and other
8 extraordinary compensation; except that, notwithstanding such
9 provision, compensation for any year for any member shall not
10 exceed the amount permitted to be taken into account under
11 Section 401(a) (17) of the Internal Revenue Code as applicable to
12 such year;

13 (7) "Consultant", unless otherwise specifically defined, a
14 person retained by the retirement system as a special consultant
15 on the problems of retirement, aging and related matters who,
16 upon request of the retirement board, shall give opinions and be
17 available to give opinions in writing or orally in response to
18 such requests, as may be needed by the board;

19 (8) "Creditable service", service qualifying as a
20 determinant of a member's pension or other benefit under sections
21 86.900 to 86.1280 by meeting the requirements specified in said
22 sections or section 105.691;

23 (9) "Final compensation":

24 (a) For a Tier I member as described in subdivision (13) of
25 this section, the average annual compensation of a member during
26 the member's service if less than two years, or the twenty-four
27 months of service for which the member received the highest
28 salary whether consecutive or otherwise. In computing the

1 average annual compensation of a member, [no compensation for
2 service after the thirtieth full year of membership service shall
3 be included.] compensation shall only be included for the periods
4 in which the member made contributions as provided under section
5 86.1010 except as provided in subsection 3 of section 86.110;

6 (b) For a Tier II member as described in subdivision (13)
7 of this section, the average annual compensation of a member
8 during the member's service if less than three years, or the
9 thirty-six months of service for which the member received the
10 highest salary whether consecutive or otherwise. In computing
11 the average annual compensation of a member, compensation shall
12 only be included for the periods in which the member made
13 contributions as provided under section 86.1010 except as
14 provided in subsection 3 of section 86.110;

15 (c) For any period of time when a member is paid on a
16 frequency other than monthly, the member's salary for such period
17 shall be deemed to be the monthly equivalent of the member's
18 annual rate of compensation for such period;

19 (10) "Fiscal year", for the retirement system, the fiscal
20 year of the cities;

21 (11) "Internal Revenue Code", the United States Internal
22 Revenue Code of 1986, as amended;

23 (12) "Medical board", not less than one nor more than three
24 physicians appointed by the retirement board to arrange for and
25 conduct medical examinations as directed by the retirement board;

26 (13) "Member", a member of the police retirement system as
27 described in section 86.1090[;]:

28 (a) "Tier I member", any person who became a member prior

1 to August 28, 2013, and who remains a member on August 28, 2013,
2 shall remain a Tier I member until such member's membership is
3 terminated as described in section 86.1130;

4 (b) "Tier I surviving spouse", the surviving spouse of a
5 Tier I member;

6 (c) "Tier II member", any person who became a member on or
7 after August 28, 2013;

8 (d) "Tier II surviving spouse", the surviving spouse of a
9 Tier II member;

10 (e) Any person whose membership is terminated as described
11 in section 86.1130 and who re-enters membership on or after
12 August 28, 2013, shall become a member under paragraph (c) of
13 this subdivision;

14 (14) "Pension", annual payments for life, payable monthly,
15 at the times described in section 86.1030;

16 (15) "Pension fund", the fund resulting from contributions
17 made thereto by the cities affected by sections 86.900 to 86.1280
18 and by the members of the police retirement system;

19 (16) "Police officer", an officer or member of the police
20 department of the cities employed for compensation by the boards
21 of police commissioners of the cities for police duty who holds a
22 rank or position for which an annual salary range is provided in
23 section 84.480 or 84.510; in case of dispute as to whether any
24 person is a police officer qualified for membership in the
25 retirement system, the decision of the board of police
26 commissioners shall be final;

27 (17) "Retirement board" or "board", the board provided in
28 section 86.920 to administer the retirement system;

1 (18) "Retirement system", the police retirement system of
2 the cities as defined in section 86.910;

3 (19) "Surviving spouse", when determining whether a person
4 is entitled to benefits under sections 86.900 to 86.1280 by
5 reason of surviving a member, shall include only:

6 (a) A person who was married to a member at the time of the
7 member's death in the line of duty or from an occupational
8 disease arising out of and in the course of the member's
9 employment and who had not, after the member's death and prior to
10 August 28, 2000, remarried;

11 (b) With respect to a member who retired or died prior to
12 August 28, 1997, a spouse who survives such member, whose
13 marriage to such member occurred at least two years before the
14 member's retirement or at least two years before the member's
15 death while in service, and who had not remarried anyone other
16 than the member prior to August 28, 2000;

17 (c) With respect to a member who retired or died while in
18 service after August 28, 1997, and before August 28, 2000, a
19 spouse who survives such member, was married to such member at
20 the time of such member's retirement or of such member's death
21 while in service, and had not, after the member's death and prior
22 to August 28, 2000, remarried; and

23 (d) With respect to a member who retires or dies in service
24 after August 28, 2000, a spouse who survives a member and was
25 married to such member at the time of such member's retirement or
26 death while in service.

27 86.990. The retirement board shall before [January tenth]
28 October fifteenth of each year certify to the chief financial

1 officer of such city the amount to be paid by the city under the
2 retirement pension system for the succeeding fiscal year, as
3 otherwise provided by sections 86.900 to 86.1280.

4 86.1000. 1. The city shall contribute to the pension fund
5 quarter-annually or at such lesser intervals as may be agreed
6 upon by the city and the retirement board. Such contribution
7 shall be in addition to and separate from the appropriations made
8 by the city for the operation of the police department. For each
9 fiscal year of the operation of the pension system, the city's
10 contribution to the pension fund shall be a percentage of the
11 compensation paid to members of the pension system from which a
12 member's deduction has been made under section 86.1010. The
13 city's contribution shall be [such percentage as shall be agreed
14 upon by the board of police commissioners and the city, but in no
15 event shall such contribution be less than twelve percent] the
16 total of the following amounts:

17 (1) Such amounts as may be necessary to meet the
18 requirements for the annual actuarial required contributions as
19 determined by a qualified professional actuary selected by the
20 retirement board;

21 (2) An amount of two-hundred dollars per month for every
22 member entitled to receive a supplemental benefit under section
23 86.1230 or section 86.1231.

24
25 Such total of said amounts shall be certified by the retirement
26 board to the chief financial officer of said city as provided in
27 section 86.990.

28 2. On or before [the tenth day of January] October

1 fifteenth of each year the retirement board shall certify to the
2 board of police commissioners the amount of money that will
3 [likely] be required to comply with the provisions of this
4 section during the next succeeding fiscal year including
5 administration expenses. The amounts so certified shall be
6 included by the board of police commissioners in their annual
7 budget estimate, and shall be appropriated by the cities and
8 transferred to the pension fund during the ensuing fiscal year.

9 86.1010. Except as provided in subsection 5 of section
10 86.1100, the board of police commissioners shall cause to be
11 deducted from the compensation of each member [until retirement]
12 who is accruing creditable service a percentage of such member's
13 compensation[, which shall not be less than six percent,] as
14 determined by the retirement board, as such member's contribution
15 to the pension fund. The sum so deducted shall be paid by the
16 board of police commissioners promptly after each payroll to the
17 retirement board to be credited to the member's account. Every
18 member shall be deemed to consent to the deductions made and
19 provided for herein. The board of police commissioners shall
20 certify to the retirement board on every payroll the amount
21 deducted, and such amounts shall be paid into the pension fund
22 and shall be credited to the individual pension account of the
23 member from whose compensation such deduction was made.

24 86.1030. 1. All benefits and all necessary administrative
25 expenses of the retirement system shall be paid from the funds of
26 the retirement system.

27 2. The base pension of a member who, after August 28, 2011,
28 retires from or otherwise terminates active service with

1 entitlement to a base pension under sections 86.900 to 86.1280
2 shall commence as of the first day of the month next following
3 such retirement or termination with no proration of such pension
4 for the month in which such retirement or termination occurs.
5 The supplemental retirement benefits of a member who, after
6 August 28, 2011, retires from or otherwise terminates active
7 service with entitlement to a supplemental retirement benefit
8 provided in subsection 1 of section 86.1230 or as provided in
9 section 86.1231 shall commence as of the first day of the month
10 next following such retirement or termination with no proration
11 of such supplemental retirement benefit for the month in which
12 such retirement or termination occurs.

13 3. Upon the death of a member who is receiving a base
14 pension under sections 86.900 to 86.1280 leaving a surviving
15 spouse, as defined in section 86.900, entitled to benefits,
16 payment of the member's base pension including all cost-of-living
17 adjustments thereto, prorated for that portion of the month of
18 such death in which such member was living, shall be made to such
19 surviving spouse, and the benefit for which such spouse is
20 entitled under section 86.1240 or subdivision (1) of subsection 2
21 of section 86.1151 shall be prorated and paid to such spouse for
22 the remainder of such month.

23 4. Upon the death of a member who is receiving a base
24 pension under sections 86.900 to 86.1280 leaving no surviving
25 spouse, as defined in section 86.900, entitled to benefits,
26 payment of the member's base pension including all cost-of-living
27 adjustments thereto, prorated for that portion of the month of
28 such death in which such member was living, shall be made in

1 equal shares to or for the benefit of the children, if any, of
2 such member as are entitled to share in spousal benefits as
3 described in subsection 2 of section 86.1250. If no such
4 children shall survive such member, such prorated benefit for the
5 month of such member's death shall be paid to the beneficiary
6 named by such member in a writing filed with the retirement
7 system prior to the member's death for the purpose of receiving
8 such benefit. If no beneficiary is named, then no payment shall
9 be made of such prorated benefit for the month of such member's
10 death.

11 5. Upon the death of a surviving spouse who is receiving a
12 base pension under section 86.1240 or subdivision (1) of
13 subsection 2 of section 86.1151, payment of such spouse's base
14 pension including all cost-of-living adjustments thereto,
15 prorated for that portion of the month of such death in which
16 such spouse was living, shall be made in equal shares to or for
17 the benefit of the children, if any, of the member of whom such
18 spouse is the surviving spouse as are entitled to share in
19 spousal benefits described in subsection 2 of section 86.1250.
20 If no such children shall survive such spouse, such prorated
21 benefit for the month of such spouse's death shall be paid to the
22 beneficiary named by such surviving spouse in a writing filed
23 with the retirement system prior to such spouse's death for the
24 purpose of receiving such benefit. If no beneficiary is named,
25 then no payment shall be made of such prorated benefit for the
26 month of such spouse's death.

27 6. Upon the death of a Tier I member who is receiving a
28 supplemental benefit under section 86.1230 or upon the death of a

1 Tier II member who is receiving a supplemental benefit under
2 section 86.1231 and who leaves a surviving spouse, as defined in
3 section 86.900, entitled to benefits, the entire supplemental
4 benefit for the month of such death shall be paid to such
5 surviving spouse without proration, and the surviving spouse
6 shall receive no additional supplemental benefit for such month.

7 7. Upon the death of a Tier I member who is receiving a
8 supplemental benefit under section 86.1230 or upon the death of a
9 Tier II member who is receiving a supplemental benefit under
10 section 86.1231 and who leaves no surviving spouse, as defined in
11 section 86.900, entitled to benefits, or upon the death of a
12 surviving spouse who is receiving a supplemental benefit under
13 section 86.1230 or section 86.1231, such supplemental benefit
14 shall terminate upon such death. No benefit shall be payable for
15 any period after the most recent monthly payment of such benefit
16 prior to such death.

17 8. Upon the death of a member in service who leaves a
18 surviving spouse, as defined in section 86.900, entitled to
19 benefits, the base pension of such surviving spouse shall
20 commence as of the first day of the month next following such
21 death with no proration of such pension for the month in which
22 such death occurs.

23 9. Upon the death of a member in service who leaves no
24 surviving spouse, as defined in section 86.900, entitled to
25 benefits, any benefit payable to surviving children of such
26 member under subsection 2 of section 86.1250 shall commence as of
27 the first day of the month next following such death with no
28 proration of such benefit for the month in which such death

1 occurs. If there are no such surviving children entitled to such
2 benefit, then such member's accumulated contributions shall be
3 paid to the beneficiary named by such member in a writing filed
4 with the retirement system prior to the member's death for the
5 purpose of receiving such benefit, or if no beneficiary is named,
6 then to such member's estate.

7 10. Upon the death of a member in service or after
8 retirement, any benefit payable to the surviving children of such
9 member under subsection 1 of section 86.1250 shall commence as of
10 the first day of the month next following such death with no
11 proration of such benefit for the month in which such death
12 occurs.

13 11. All payments of any benefit shall be paid on the last
14 business day of each month for that month. For any benefit under
15 sections 86.900 to 86.1280, the retirement system shall withhold
16 payment of such benefit until all requisite documentation has
17 been filed with the retirement system evidencing the entitlement
18 of payee to such payment.

19 12. If no benefits are otherwise payable to a surviving
20 spouse or child of a deceased member or otherwise as provided in
21 this section, the member's accumulated contributions, to any
22 extent not fully paid to such member prior to the member's death
23 or to the surviving spouse or child of such member or otherwise
24 as provided in this section, shall be paid in one lump sum to the
25 member's beneficiary named by such member in a writing filed with
26 the retirement system prior to the member's death for the purpose
27 of receiving such benefit, or if no beneficiary is named, then to
28 such member's estate. Such payment shall constitute full and

1 final payment of any and all claims for benefits under the
2 retirement system.

3 86.1100. 1. The retirement board shall fix and determine
4 by proper rules and regulations how much service in any year is
5 equivalent to one year of service. In no case shall more than
6 one year of service be creditable for all service rendered in one
7 calendar year. The retirement board shall not allow credit as
8 service for any period during which the member was absent without
9 compensation, except as provided in sections 86.1110 and 86.1140.

10 2. Except as provided in subsection 3 of section 86.1110 or
11 subsection 2 of section 86.1140, creditable service at retirement
12 on which the retirement allowance of a member is based consists
13 of the membership service rendered by such member since such
14 member last became a member provided that no creditable service
15 shall be allowed for any period of time when a member was not
16 making contributions.

17 3. Creditable service also includes any prior service
18 credit to which a member may be entitled by virtue of an
19 authorized purchase of such credit or as otherwise provided in
20 sections 86.900 to 86.1280.

21 4. Creditable service shall not include any time a member
22 was suspended from service without compensation. No contribution
23 is required from either the member under section 86.1010 or from
24 the city under section 86.1000 for such time.

25 5. Any member [who has completed thirty years of creditable
26 service may continue in service by permission of the board of
27 police commissioners] in active service with the police
28 department on or after August 28, 2013, may accrue up to a

1 maximum of thirty-two years of creditable service. Contributions
2 shall not be required of, and no service shall be credited to,
3 any member for more than [thirty] thirty-two years of service.

4 86.1110. 1. Whenever a member is given a leave of absence
5 for military service and returns to employment after discharge
6 from the service, such member shall be entitled to creditable
7 service for the years of employment prior to the leave of
8 absence.

9 2. Except as provided in subsection 3 of this section, a
10 member who served on active duty in the Armed Forces of the
11 United States and who became a member, or returned to membership,
12 after discharge under honorable conditions, may elect prior to
13 retirement to purchase creditable service equivalent to such
14 service in the Armed Forces, not to exceed two years, provided
15 the member is not receiving and is not eligible to receive
16 retirement credits or benefits from any other public or private
17 retirement plan for the service to be purchased, other than a
18 United States military service retirement system or United States
19 Social Security benefits attributable to such military service,
20 and an affidavit so stating is filed by the member with the
21 retirement system. A member electing to make such purchase shall
22 pay to the retirement system an amount equal to the actuarial
23 cost of the additional benefits attributable to the additional
24 service credit to be purchased, as of the date the member elects
25 to make such purchase. Payment in full of the amount due from a
26 member electing to purchase creditable service under this
27 subsection shall be made over a period not to exceed five years,
28 measured from the date of election, or prior to the commencement

1 date for payment of benefits to the member from the retirement
2 system, whichever is earlier, including interest on unpaid
3 balances compounded annually at the interest rate assumed from
4 time to time for actuarial valuations of the retirement system.
5 If payment in full including interest is not made within the
6 prescribed period, any partial payments made by the member shall
7 be refunded, and no creditable service attributable to such
8 election, or as a result of any such partial payments, shall be
9 allowed; provided that if a benefit commencement date occurs
10 because of the death or disability of a member who has made an
11 election under this subsection and if the member is current in
12 payments under an approved installment plan at the time of the
13 death or disability, such election shall be valid if the member,
14 the surviving spouse, or other person entitled to benefit
15 payments pays the entire balance of the remaining amount due,
16 including interest to the date of such payment, within sixty days
17 after the member's death or disability. The time of a disability
18 shall be deemed to be the time when such member is retired by the
19 board of police commissioners for reason of disability as
20 provided in sections 86.900 to 86.1280.

21 3. Notwithstanding any other provision of sections 86.900
22 to 86.1280, a member who is on leave of absence for military
23 service during any portion of which leave the United States is in
24 a state of declared war, or a compulsory draft is in effect for
25 any of the military branches of the United States, or any units
26 of the military reserves of the United States, including the
27 National Guard, are mobilized for combat military operations, and
28 who becomes entitled to reemployment rights and other employment

1 benefits under Title 38, Chapter 43 of the U.S. Code, relating to
2 employment and reemployment rights of members of the uniformed
3 services by meeting the requirements for such rights and benefits
4 under Section 4312 of said chapter, or the corresponding
5 provisions of any subsequent applicable federal statute, shall be
6 entitled to service credit for the time spent in such military
7 service for all purposes of sections 86.900 to 86.1280 and such
8 member shall not be required to pay any member contributions for
9 such time. If it becomes necessary for the years of such service
10 to be included in the calculation of such member's compensation
11 for any purpose, such member shall be deemed to have received the
12 same compensation throughout such period of service as the
13 member's base annual salary immediately prior to the commencement
14 of such leave of absence; provided, however, that the foregoing
15 provisions of this subsection shall apply only to such portion of
16 such leave with respect to which the cumulative length of the
17 absence and of all previous absences from a position of
18 employment with the employer by reason of service in the
19 uniformed services does not exceed five years except for such
20 period of any such excess as meets the requirements for
21 exceptions to such five-year limitation set forth in the
22 aforesaid Section 4312.

23 86.1150. 1. Any Tier I member may retire when such member
24 has completed twenty-five or more years of creditable service
25 [and, except as otherwise provided in section 86.1100, shall
26 retire when such member has completed thirty years of creditable
27 service]. Upon such retirement such member shall receive a base
28 pension equal to:

1 (1) For a member retiring prior to August 28, 2000, two
2 percent of such member's final compensation, as defined in
3 section 86.900, multiplied by the number of years of such
4 member's total creditable service; or

5 (2) For a member retiring on or after August 28, 2000, and
6 prior to August 28, 2013, two and one-half percent of such
7 member's final compensation, as defined in section 86.900,
8 multiplied by the number of years of such member's total
9 creditable service. Such pension shall not exceed seventy-five
10 percent of the member's final compensation[.

11 2. Every member not having thirty years of service must
12 retire at sixty years of age except that on recommendation of the
13 chief of police, the board of police commissioners may permit
14 such member who is sixty years of age or over to remain in
15 service until such member reaches the age of sixty-five years.
16 Such member shall continue to make contributions and receive
17 credit for service until reaching sixty-five years of age, until
18 retirement, or until completion of thirty years of creditable
19 service, whichever occurs first. If such member shall reach
20 sixty-five years of age or shall retire prior to completion of
21 twenty-five years of service, the base pension of such member
22 shall be calculated under subsection 3 of this section.

23 3. Except as provided in section 86.1100 or in subsection 2
24 of this section,] or

25 (3) For a member retiring on or after August 28, 2013, two
26 and one-half percent of such member's final compensation, as
27 defined in section 86.900, multiplied by the number of years of
28 such member's total creditable service. Such pension shall not

1 exceed eighty percent of the member's final compensation.

2 2. Any Tier I member in service who shall have attained
3 sixty years of age and at that time shall have completed at least
4 ten [but less than thirty] years of creditable service [shall]
5 may retire and upon such retirement shall receive a base pension
6 equal to:

7 (1) For a member retiring prior to August 28, 2000, two
8 percent of such member's final compensation, as defined in
9 section 86.900, multiplied by the number of years of such
10 member's total creditable service; or

11 (2) For a member retiring on or after August 28, 2000, two
12 and one-half percent of such member's final compensation as
13 defined in section 86.900 multiplied by the number of years of
14 such member's total creditable service.

15 [4.] 3. Subject to the provisions of subsection [5] 4 of
16 this section, whenever the service of a Tier I member is
17 terminated for any reason prior to death or retirement and the
18 member has fifteen or more years of creditable service, the
19 member may elect not to withdraw such member's accumulated
20 contributions and shall become entitled to a base pension
21 commencing on the first day of the month following the attainment
22 of the age of fifty-five, if then living, equal to:

23 (1) For a member whose service so terminates prior to
24 August 28, 2001, two percent of such member's final compensation
25 multiplied by the number of years of such member's creditable
26 service; or

27 (2) For a member whose service so terminates on or after
28 August 28, 2001, two and one-half percent of such member's final

1 compensation multiplied by the number of years of such member's
2 creditable service.

3 [5.] 4. Notwithstanding any other provisions of sections
4 86.900 to 86.1280, any member who is convicted of a felony prior
5 to separation from active service shall not be entitled to any
6 benefit from this retirement system except the return of such
7 member's accumulated contributions.

8 86.1151. 1. Any Tier II member may retire when such member
9 has completed twenty-seven or more years of creditable service.
10 Upon such retirement such member shall receive a base pension
11 equal to two and one-half percent of such member's final
12 compensation, as defined in section 86.900, multiplied by the
13 number of years of such member's total creditable service. Such
14 pension shall not exceed eighty percent of the member's final
15 compensation.

16 2. (1) A Tier II member who is married at the time of
17 retirement may by a written election, with the written consent of
18 such member's spouse, elect an optional benefit calculated as
19 follows: such optional benefit shall be a monthly pension in the
20 initial amount which shall be actuarially equivalent to the
21 actuarial value of the pension described in subsection 1 of this
22 section for such member at the date of retirement (including the
23 value of survivorship rights of a surviving spouse, where
24 applicable, under section 86.1240), upon the basis that the
25 initial annuity for the member's spouse, if such spouse survives
26 the member, shall be:

27 (a) The same as the amount being paid the member at the
28 member's death, and, together with cost-of-living adjustments

1 thereafter declared on the spouse's base pension under section
2 86.1220, shall be paid to such surviving spouse for the lifetime
3 of such spouse; or

4 (b) Seventy-five percent of the amount being paid the
5 member at the member's death, and, together with cost-of-living
6 adjustments thereafter declared on the spouse's base pension
7 under section 86.1220, shall be paid to such surviving spouse for
8 the lifetime of such spouse.

9 (2) If a member who elects the optional benefit permitted
10 by this subsection also makes an election permitted under section
11 86.1210, such optional benefit shall be reduced as provided in
12 subdivision (3) of subsection 2 of section 86.1210.

13 (3) If a member makes the election permitted by this
14 subsection, the amount calculated for such optional benefit under
15 either subdivision (1) or (2) of this subsection shall become the
16 base pension for such member and for such member's spouse for all
17 purposes of sections 86.900 to 86.1280.

18 (4) An election for an optional benefit under this
19 subsection shall be void if the member dies within thirty days
20 after filing such election with the retirement system or if the
21 member dies before the due date of the first payment of such
22 member's pension.

23 3. Subject to the provisions of subsection 4 of this
24 section, whenever the service of a Tier II member is terminated
25 for any reason prior to death or retirement and the member has
26 fifteen or more years of creditable service, the member may elect
27 not to withdraw such member's accumulated contributions and shall
28 become entitled to a base pension commencing on the first day of

1 the month following the attainment of the age of sixty, if then
2 living, equal to two and one-half percent of such member's final
3 compensation multiplied by the number of years of such member's
4 creditable service.

5 4. Notwithstanding any other provisions of sections 86.900
6 to 86.1280, any member who is convicted of a felony prior to
7 separation from active service shall not be entitled to any
8 benefit from this retirement system except the return of such
9 member's accumulated contributions.

10 86.1180. 1. Any member in active service who is
11 permanently unable to perform the full and unrestricted duties of
12 a police officer as the natural, proximate, and exclusive result
13 of an accident occurring within the actual performance of duty at
14 some definite time and place or through an occupational disease
15 arising exclusively out of and in the course of his or her
16 employment shall be retired by the board of police commissioners
17 upon certification by one or more physicians of the medical board
18 that the member is mentally or physically unable to perform the
19 full and unrestricted duties of a police officer, that the
20 inability is permanent or likely to become permanent, and that
21 the member should be retired. The inability to perform the full
22 and unrestricted duties of a police officer means that the member
23 is unable to perform all the essential job functions for the
24 position of police officer as established by the board of police
25 commissioners.

26 2. (1) Upon such retirement on or after August 28, 2001,
27 and prior to August 28, 2013, a member shall receive a base
28 pension equal to seventy-five percent of his or her final

1 compensation for so long as the permanent disability shall
2 continue, during which time such member shall for purposes of
3 this section be referred to as a disability beneficiary. Such
4 pension may be subject to offset or reduction under section
5 86.1190 by amounts paid or payable under any workers'
6 compensation law;

7 (2) Upon such retirement on or after August 28, 2013, a
8 member shall receive a base pension equal to eighty percent of
9 his or her final compensation for so long as the permanent
10 disability shall continue, during which time such member shall
11 for purposes of this section be referred to as a disability
12 beneficiary. Such pension may be subject to offset or reduction
13 under section 86.1190 by amounts paid or payable under any
14 workers' compensation law.

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

27 4. If one or more members of the medical board certify to
28 the retirement board that a disability beneficiary is able to

1 perform the full and unrestricted duties of a police officer, and
2 if the retirement board concurs on the report, then such
3 beneficiary's disability pension shall cease.

4 5. If upon cessation of a disability pension under
5 subsection 4 of this section, the former disability beneficiary
6 is restored to active service, such member shall contribute to
7 this retirement system thereafter at the same rate as other
8 members. Upon subsequent retirement, such member shall be
9 credited with all his or her creditable service, including any
10 years in which such member received a disability pension under
11 this section.

12 6. If upon cessation of a disability pension under
13 subsection 4 of this section, the former disability beneficiary
14 is not restored to active service, such member shall be entitled
15 to the retirement benefit to which such member would have been
16 entitled if such member had terminated service at the time of
17 such cessation of the disability pension. For the purpose of
18 such retirement benefits, such former disability beneficiary will
19 be credited with all his or her creditable service, including any
20 years in which such member received a disability pension under
21 this section.

22 86.1210. 1. Any member in active service entitled to
23 commence a pension under subsection 1 of section 86.1150 [with
24 twenty-six years or more of creditable service] or subsection 1
25 of section 86.1151 may elect an optional distribution under the
26 partial lump sum option plan provided in this section if the
27 member:

28 (1) Notifies the retirement system in writing of the

1 member's retirement date at least ninety days in advance thereof
2 and requests an explanation of the member's rights under this
3 section; and

4 (2) Notifies the retirement system of the member's election
5 hereunder at least thirty days in advance of the member's
6 retirement date.

7
8 Following receipt of an initial notice of a member's retirement
9 date and request for an explanation under this section, the
10 retirement system shall, at least sixty days in advance of such
11 retirement date, provide the member a written explanation of the
12 member's rights under this section and an estimate of the amount
13 by which the member's regular monthly base pension would be
14 reduced in the event of the member's election of any of the
15 options available to the member under this section.

16 2. (1) A member entitled to make an election under this
17 section may elect to receive a lump sum distribution with the
18 member's initial monthly pension payment under subsection 1 of
19 section 86.1150 or subsection 1 of section 86.1151, subject to
20 all the terms of this section. The member may elect the amount
21 of the member's lump sum distribution from one, but not more than
22 one, of the following options for which the member qualifies:

23 (a) A member having [twenty-six or more years of creditable
24 service] one or more years of creditable service after the
25 member's eligible retirement date may elect a lump sum amount
26 equal to twelve times the initial monthly base pension the member
27 would receive if no election were made under this section;

28 (b) A member having [twenty-seven] two or more years of

1 creditable service after the member's eligible retirement date
2 may elect a lump sum amount equal to twenty-four times the
3 initial monthly base pension the member would receive if no
4 election were made under this section; or

5 (c) A member having ~~[twenty-eight]~~ three or more years of
6 creditable service after the member's eligible retirement date
7 may elect a lump sum amount equal to thirty-six times the initial
8 monthly base pension the member would receive if no election were
9 made under this section.

10
11 For purposes of this section, "eligible retirement date" for a
12 member shall mean the earliest date on which the member could
13 elect to retire and be entitled to receive a pension under
14 subsection 1 of section 86.1150 or subsection 1 of section
15 86.1151.

16 (2) When a member makes an election to receive a lump sum
17 distribution under this section, the base pension which the
18 member would have received in the absence of the election shall
19 be reduced on an actuarially equivalent basis to reflect the
20 payment of the lump sum distribution, and the reduced base
21 pension shall be the member's base pension thereafter for all
22 purposes relating to base pension amounts under sections 86.900
23 to 86.1280, unless the member has also elected an optional
24 benefit permitted under subdivision (1) of subsection 2 of
25 section 86.1151;

26 (3) If a member electing a lump sum distribution under this
27 section has elected the optional benefit permitted under
28 subdivision (1) of subsection 2 of section 86.1151, the

1 calculation of the member's pension shall be made in the
2 following order:

3 (a) The amount of the member's normal pension under
4 subsection 1 of section 86.1151 shall be reduced to the
5 actuarially equivalent amount to produce the optional form of
6 benefit described in subdivision (1) of subsection 2 of section
7 86.1151, and

8 (b) The amount of reduced pension as determined under
9 paragraph (a) of this subdivision shall be further reduced as
10 required to produce an actuarially equivalent benefit in the form
11 of the lump sum distribution option elected under this section
12 which will include the lump sum benefit and the optional benefit
13 elected under subdivision (1) of subsection 2 of section 86.1151,
14 and, subject to cost-of-living adjustments thereafter declared on
15 the spouse's base pension under section 86.1220, shall be paid to
16 such surviving spouse for the lifetime of such spouse.

17 3. An election under this section to receive a lump sum
18 distribution and reduced monthly base pension shall be void if
19 the member dies before retirement, and in such case amounts due a
20 surviving spouse or other beneficiary of the member shall be
21 determined without regard to such election.

22 86.1220. 1. Provided that the retirement system shall
23 remain actuarially sound, each of the following persons may
24 receive [each year], in addition to such person's base pension, a
25 cost-of-living adjustment in an amount not to exceed three
26 percent of such person's base pension during any one year:

27 (1) Every Tier I member who is retired and receiving a base
28 pension from the retirement system; and

1 (2) Every Tier I surviving spouse who is receiving a base
2 pension from the retirement system[; and

3 (3) Every child who, under subsection 2 of section 86.1250,
4 is receiving the benefit, or a portion thereof, which would be
5 payable to a surviving spouse of the member who was such child's
6 parent].

7 2. Provided that the retirement system shall remain
8 actuarially sound, each of the following persons may receive, in
9 addition to such person's base pension, a cost-of-living
10 adjustment in an amount not to exceed three percent of such
11 person's base pension during any one year as follows:

12 (1) Every Tier II member who retired with at least thirty-
13 two years of creditable service shall be eligible in the year
14 following retirement; and

15 (2) Every Tier II member who retired under subsection 1 of
16 section 86.1151 with less than thirty-two years of creditable
17 service shall be eligible in the year following the year in which
18 they would have attained thirty-two years of creditable service
19 had such member remained in active service; and

20 (3) Every Tier II member who retired under section] shall
21 be eligible in the year following retirement; and

22 (4) Every Tier II member who retired under section 86.1200
23 shall be eligible in the earlier of the year following the fifth
24 year after retirement or the year following the year in which
25 they would have attained thirty-two years of creditable service
26 had such member remained in active service; and

27 (5) Every Tier II member who retired under subsection 3 of
28 section 86.1151 shall be eligible in the year following the fifth

1 year after retirement; and

2 (6) (a) Every Tier II surviving spouse of a member who, at
3 the member's death, was receiving benefits including cost-of-
4 living adjustments shall be eligible in the year following the
5 most recent year when the decedent received a cost-of-living
6 adjustment; and

7 (b) Every Tier II surviving spouse of a member who, at the
8 member's death, was receiving benefits but who was not yet
9 eligible for cost-of-living adjustments shall be eligible in the
10 year when the decedent member would have become eligible had such
11 decedent survived; and

12 (c) Every Tier II surviving spouse entitled to the benefit
13 provided in subsection 1 of section 86.1260 shall be eligible in
14 the year following the year of the member's death; and

15 (d) Every Tier II surviving spouse of a member who died
16 with less than twenty-seven years of creditable service, entitled
17 to benefits provided in subsection 1 of section 86.1240, and who
18 is not eligible for the benefit provided in subsection 1 of
19 section 86.1260, shall be eligible in the year following the
20 fifth year after the member's death; and

21 (e) Every Tier II surviving spouse of a member who died
22 with twenty-seven or more years of creditable service, entitled
23 to benefits provided in subsection 1 of section 86.1240, and who
24 is not eligible for the benefit provided in subsection 1 of
25 section 86.1260, shall be eligible the later of the year
26 following the year of the member's death or the year following
27 the year in which the member would have attained thirty-two years
28 of creditable service had such member remained in active service.

1 3. Provided that the retirement system shall remain
2 actuarially sound, every child who, under subsection 2 of section
3 86.1250, is receiving the benefit, or a portion thereof, which
4 would be payable to a surviving spouse of the member who was such
5 child's parent, may receive each year such cost-of-living
6 adjustment on such benefit as would have been payable on such
7 benefit, or portion thereof, to such surviving spouse if living.

8 4. Upon the death of a Tier I member who has been retired
9 and receiving a pension and who dies after September 28, 1987,
10 the surviving spouse of such member entitled to receive a base
11 pension under section 86.1240 or children of such member entitled
12 to receive a base pension under subsection 2 of section 86.1250
13 shall receive an immediate percentage cost-of-living adjustment
14 to their respective base pension equal to the total percentage
15 cost-of-living adjustments received during such member's lifetime
16 under this section, except that the adjustment provided by this
17 subsection shall not be made to a base pension calculated under
18 either subdivision (1) or paragraph (b) of subdivision (2) of
19 subsection 2 of section 86.1240, either for a surviving spouse or
20 for a child or children entitled to a base pension measured by
21 the pension to which a qualified surviving spouse would be
22 entitled, wherein such base pension is determined by a percentage
23 of the amount being received by the deceased member at death.

24 5. Upon the death of a Tier II member who has been retired
25 and receiving a pension, the surviving spouse of such member
26 entitled to receive a base pension under section 86.1240 or
27 children of such member entitled to receive a base pension under
28 subsection 2 of section 86.1250 shall receive an immediate

1 percentage cost-of-living adjustment to their respective base
2 pension equal to the total percentage cost-of-living adjustments
3 received during such member's lifetime under this section, except
4 that the adjustment provided by this subsection shall not apply
5 for any surviving spouse, or for a child or children entitled to
6 benefits which would be received by a qualified surviving spouse,
7 receiving a benefit pursuant to an election made under
8 subdivision (1) of subsection 2 of section 86.1151.

9 [3.] 6. For purposes of this section, the term "base
10 pension" shall mean:

11 (1) For a member, the pension computed under the provisions
12 of the law as of the date of retirement without regard to
13 cost-of-living adjustments, as adjusted, if applicable, for any
14 election made under subdivision (1) of subsection 2 of section
15 86.1151 or section 86.1210, but in all events not including any
16 supplemental benefit under section 86.1230 or section 86.1231;

17 (2) For a surviving spouse, the base pension calculated for
18 such spouse in accordance with the provisions of section 86.1240
19 or subdivision (3) of subsection 2 of section 86.1151, including
20 any compensation as a consultant to which such surviving spouse
21 is entitled under said section in lieu of a pension thereunder,
22 but not including any supplemental benefit under section 86.1230
23 or section 86.1231; and

24 (3) For a member's surviving child who is entitled to
25 receive part or all of the pension which would be received by the
26 surviving spouse, if living, the base pension calculated for such
27 surviving spouse in accordance with the provisions of section
28 86.1240 or subdivision (3) of subsection 2 of section 86.1151,

1 including any compensation as a consultant to which such spouse
2 would be entitled under said section, if living, divided by the
3 number of surviving children entitled to share in such pension
4 under subsection 2 of section 86.1250.

5 [4.] 7. The cost-of-living adjustment shall be an increase
6 or decrease computed on the base pension amount by the retirement
7 board in an amount that the board, in its discretion, determines
8 to be satisfactory, but in no event shall the adjustment be more
9 than three percent or reduce the pension to an amount less than
10 the base pension. In determining and granting the cost-of-living
11 adjustments, the retirement board shall adopt such rules and
12 regulations as may be necessary to effectuate the purposes of
13 this section, including provisions for the manner of computation
14 of such adjustments and the effective dates thereof. The
15 retirement board shall provide for such adjustments to be
16 determined once each year and granted on a date or dates to be
17 chosen by the board, and may apply such adjustments in full to
18 eligible members as provided in subsections 1 and 2 of this
19 section who have retired during the year prior to such
20 adjustments but who have not been retired for one full year and
21 to the surviving spouse or applicable children of a member who
22 has died during the year prior to such adjustments.

23 [5.] 8. The determination of whether the retirement system
24 will remain actuarially sound shall be made at the time any
25 cost-of-living adjustment is granted. If at any time the
26 retirement system ceases to be actuarially sound, pension
27 payments shall continue as adjusted by increases theretofore
28 granted. A member of the retirement board shall have no personal

1 liability for granting increases under this section if that
2 retirement board member in good faith relied and acted upon
3 advice of a qualified actuary that the retirement system would
4 remain actuarially sound.

5 [6.] 9. If any benefit under subsection 1 of section
6 86.1250 on August 27, 2005, would be reduced by application of
7 this section, such benefit shall continue thereafter without
8 reduction, but any benefit so continued shall terminate at the
9 time prescribed in subsection 1 of section 86.1250.

10 86.1230. 1. Any Tier I member who retires subsequent to
11 August 28, 1991, with entitlement to a pension under sections
12 86.900 to 86.1280, shall receive, in addition to such member's
13 base pension and cost-of-living adjustments thereto under section
14 86.1220, and in addition to any other compensation or benefit to
15 which such member may be entitled under sections 86.900 to
16 86.1280, a supplemental retirement benefit of fifty dollars per
17 month. The amount of such supplemental retirement benefit may be
18 adjusted by cost-of-living adjustments determined by the
19 retirement board not more frequently than annually.

20 2. Any Tier I member who was retired on or before August
21 28, 1991, and is receiving retirement benefits from the
22 retirement system shall, upon application to the retirement
23 board, be retained as a consultant, and for such services such
24 member shall receive, in addition to such member's base pension
25 and cost-of-living adjustments thereto under section 86.1220, and
26 in addition to any other compensation or benefit to which such
27 member may be entitled under sections 86.900 to 86.1280, a
28 supplemental compensation in the amount of fifty dollars per

1 month. This appointment as a consultant shall in no way affect
2 any member's eligibility for retirement benefits under the
3 provisions of sections 86.900 to 86.1280, or in any way have the
4 effect of reducing retirement benefits otherwise payable to such
5 member. The amount of such supplemental compensation under this
6 subsection may be adjusted by cost-of-living adjustments
7 determined by the retirement board not more frequently than
8 annually.

9 3. For purposes of subsections 1 and 2 of this section, the
10 term "member" shall include a surviving spouse entitled to a
11 benefit under sections 86.900 to 86.1280 who shall be deemed to
12 have retired for purposes of this section on the date of
13 retirement of the member of whom such person is the surviving
14 spouse or on the date of death of such member if such member died
15 prior to retirement; provided, that if the surviving spouse of
16 any member who retired prior to August 28, 2000, shall not have
17 remarried prior to August 28, 2000, but remarries thereafter,
18 such surviving spouse shall thereafter receive benefits under
19 subsection 2 of this section, and provided further, that no
20 benefits shall be payable under this section to the surviving
21 spouse of any member who retired prior to August 28, 2000, if
22 such surviving spouse was at any time remarried after the
23 member's death and prior to August 28, 2000. All benefits
24 payable to a surviving spouse under this section shall be in
25 addition to all other benefits to which such surviving spouse may
26 be entitled under other provisions of sections 86.900 to 86.1280.
27 Any such surviving spouse of a member who dies while entitled to
28 payments under this section shall succeed to the full amount of

1 payment under this section to which such member was entitled at
2 the time of such member's death, including any cost-of-living
3 adjustments received by such member in the payment under this
4 section prior to such member's death. In all events, the term
5 "member" shall not include any children of the member who would
6 be entitled to receive part or all of the pension which would be
7 received by a surviving spouse if living.

8 4. Any member who is receiving benefits from the retirement
9 system and who either was retired under the provisions of
10 subdivision (1) of subsection 1 of section 86.1150, or who
11 retired before August 28, 2001, under the provisions of section
12 86.1180 or section 86.1200, shall, upon application to the
13 retirement board, be retained as a consultant. For such services
14 such member shall receive each month in addition to such member's
15 base pension and cost-of-living adjustments thereto under section
16 86.1220, and in addition to any other compensation or benefit to
17 which such member may be entitled under sections 86.900 to
18 86.1280, an equalizing supplemental compensation of ten dollars
19 per month. This appointment as a consultant shall in no way
20 affect any member's eligibility for retirement benefits under the
21 provisions of sections 86.900 to 86.1280, or in any way have the
22 effect of reducing retirement benefits otherwise payable to such
23 member. The amount of equalizing supplemental compensation under
24 this subsection may be adjusted by cost-of-living adjustments,
25 determined by the retirement board not more frequently than
26 annually, but in no event shall the aggregate of such equalizing
27 supplemental compensation together with all such cost-of-living
28 adjustments thereto exceed twenty-five percent of the member's

1 base pension. Each cost-of-living adjustment to compensation
2 under this subsection shall be determined independently of any
3 cost-of-living adjustment to any other benefit under sections
4 86.900 to 86.1280. For the purposes of this subsection, the term
5 "member" shall include a surviving spouse entitled to benefits
6 under the provisions of sections 86.900 to 86.1280, and who is
7 the surviving spouse of a member who qualified, or would have
8 qualified if living, for compensation under this subsection.
9 Such surviving spouse shall, upon application to the retirement
10 board, be retained as a consultant, and for such services shall
11 be compensated in an amount equal to the compensation which would
12 have been received by the member under this subsection, if
13 living. Any such surviving spouse of a member who dies while
14 entitled to payments under this subsection shall succeed to the
15 full amount of payment under this subsection to which such member
16 was entitled at the time of such member's death, including any
17 cost-of-living adjustments received by such member in the payment
18 under this subsection prior to such member's death. In all
19 events, the term "member" shall not include any children of the
20 member who would be entitled to receive part or all of the
21 pension that would be received by a surviving spouse, if living.

22 5. A surviving spouse who is entitled to benefits under the
23 provisions of subsection 1 of section 86.1240 as a result of the
24 death prior to August 28, 2007, of a member in service, and who
25 is receiving benefits from the retirement system, shall, upon
26 application to the retirement board, be retained as a consultant,
27 and for such services such surviving spouse shall receive each
28 month an equalizing supplemental compensation of ten dollars per

1 month. A surviving spouse entitled to benefits under the
2 provisions of subsection 1 of section 86.1240 as a result of the
3 death of a member in service on or after August 28, 2007, shall
4 receive each month an equalizing supplemental benefit of ten
5 dollars per month. All benefits payable to a surviving spouse
6 under this subsection shall be in addition to all other benefits
7 to which such surviving spouse may be entitled under other
8 provisions of sections 86.900 to 86.1280 and shall in no way have
9 the effect of reducing benefits otherwise payable to such
10 surviving spouse. The amount of equalizing supplemental benefit
11 or equalizing supplemental compensation under this subsection may
12 be adjusted by cost-of-living adjustments, determined by the
13 retirement board not more frequently than annually, but in no
14 event shall the aggregate of such equalizing supplemental benefit
15 or compensation together with all such cost-of-living adjustments
16 thereto exceed twenty-five percent of the base pension of the
17 surviving spouse. Each cost-of-living adjustment to an
18 equalizing supplemental benefit or compensation under this
19 subsection shall be determined independently of any
20 cost-of-living adjustment to any other benefit under sections
21 86.900 to 86.1280. In all events the term "surviving spouse" as
22 used in this subsection shall not include any children of the
23 member who would be entitled to receive part or all of the
24 pension that would be received by a surviving spouse, if living.

25 6. In determining and granting the cost-of-living
26 adjustments under this section, the retirement board shall adopt
27 such rules and regulations as may be necessary to effectuate the
28 purposes of this section, including provisions for the manner of

1 computation of such adjustments and the effective dates thereof.
2 The retirement board shall provide for such adjustments to be
3 determined once each year and granted on a date or dates to be
4 chosen by the board. The retirement board shall not be required
5 to prorate the initial adjustment to any benefit or compensation
6 under this section for any member.

7 7. The determination of whether the retirement system will
8 remain actuarially sound shall be made at the time any
9 cost-of-living adjustment under this section is granted. If at
10 any time the retirement system ceases to be actuarially sound,
11 any benefit or compensation payments provided under this section
12 shall continue as adjusted by increases or decreases theretofore
13 granted. A member of the retirement board shall have no personal
14 liability for granting increases under this section if that
15 retirement board member in good faith relied and acted upon
16 advice of a qualified actuary that the retirement system would
17 remain actuarially sound.

18 86.1231. Any Tier II member who retires with entitlement to
19 a pension under sections 86.900 to 86.1280, shall receive, in
20 addition to such member's base pension and cost-of-living
21 adjustments thereto under section 86.1220, and in addition to any
22 other compensation or benefit to which such member may be
23 entitled under sections 86.900 to 86.1280, a supplemental
24 retirement benefit of two hundred dollars per month. For
25 purposes of this section, the term "member" shall include a
26 surviving spouse entitled to a benefit under sections 86.900 to
27 86.1280 as a Tier II surviving spouse. All benefits payable to a
28 surviving spouse under this section shall be in addition to all

1 other benefits to which such surviving spouse may be entitled
2 under other provisions of sections 86.900 to 86.1280. Any such
3 surviving spouse of a member who dies while entitled to payments
4 under this section shall succeed to the full amount of payment
5 under this section to which such member was entitled at the time
6 of such member's death. In all events, the term "member" shall
7 not include any children of the member who would be entitled to
8 receive part or all of the pension which would be received by a
9 surviving spouse, if living.

10 86.1240. 1. Upon receipt of the proper proofs of death of
11 a member in service for any reason whatsoever, there shall be
12 paid to such member's surviving spouse, if any, in addition to
13 all other benefits but subject to subsection 6 of this section, a
14 base pension equal to forty percent of the final compensation of
15 such member, subject to adjustments, if any, as provided in
16 section 86.1220.

17 2. (1) Upon receipt of the proper proofs of death of a
18 Tier I member who was retired or terminated service after August
19 28, 1999, and died after having become entitled to benefits from
20 this retirement system, there shall be paid to such member's
21 surviving spouse, if any, in addition to all other benefits but
22 subject to subsection 6 of this section, a base pension equal to
23 eighty percent of the pension being received by such member,
24 including cost-of-living adjustments to such pension but
25 excluding supplemental retirement benefits, at the time of such
26 member's death, subject to subsequent adjustments, if any, as
27 provided in section 86.1220. The pension provided by this
28 subdivision shall terminate upon remarriage by the surviving

1 spouse prior to August 28, 2000.

2 (2) (a) Upon receipt of the proper proof of death of a
3 Tier I member who retired or terminated service on or before
4 August 28, 1999, and who died after August 28, 1999, and after
5 having become entitled to benefits from this retirement system,
6 such member's surviving spouse, if any, shall be entitled to a
7 base pension equal to forty percent of the final compensation of
8 such member.

9 (b) Such a surviving spouse shall, upon application to the
10 retirement board, be appointed by the retirement board as a
11 consultant and be compensated in an amount equal to the benefits
12 such spouse would receive under subdivision (1) of this
13 subsection if the member had retired or terminated service after
14 August 28, 1999.

15 (c) The benefits provided by this subdivision shall
16 terminate upon remarriage by the surviving spouse prior to August
17 28, 2000.

18 (3) Upon receipt of the proper proof of death of a Tier II
19 member after retirement who has not elected the optional annuity
20 permitted under subdivision (1) of subsection 2 of section
21 86.1151, such member's surviving spouse, shall be entitled to a
22 base pension payable for life equaling fifty percent of the
23 member's base pension.

24 3. In the case of any member who, prior to August 28, 2000,
25 died in service or retired, the surviving spouse who would
26 qualify for benefits under subsection 1 or 2 of this section but
27 for remarriage, and who has not remarried prior to August 28,
28 2000, but remarries thereafter, shall upon application be

1 appointed by the retirement board as a consultant. For services
2 as such consultant, such surviving spouse shall be compensated in
3 an amount equal to the benefits such spouse would have received
4 under sections 86.900 to 86.1280 in the absence of such
5 remarriage.

6 4. Upon the death of any member who is in service after
7 August 28, 2000, and who either had at least twenty-five years of
8 creditable service or was retired or died as a result of an
9 injury or illness occurring in the line of duty or course of
10 employment under section 86.1180, the surviving spouse's benefit
11 provided under this section, without including any supplemental
12 retirement benefits paid such surviving spouse by this retirement
13 system, shall be six hundred dollars per month. For any member
14 who died, retired or terminated service on or before August 28,
15 2000, and who either had at least twenty-five years of creditable
16 service or was retired or died as a result of an injury or
17 illness occurring in the line of duty or course of employment
18 under section 86.1180, the surviving spouse shall upon
19 application to the retirement board be appointed by the
20 retirement board as a consultant. For services as such
21 consultant, the surviving spouse shall, beginning the later of
22 August 28, 2000, or the time the appointment is made under this
23 subsection, be compensated in an amount which without including
24 supplemental retirement benefits provided by this system shall be
25 six hundred dollars monthly. A pension benefit under this
26 subsection shall be paid in lieu of any base pension as increased
27 by cost-of-living adjustments granted under section 86.1220. The
28 benefit under this subsection shall not be subject to

1 cost-of-living adjustments, but shall be terminated and replaced
2 by the base pension and cost-of-living adjustments to which such
3 spouse would otherwise be entitled at such time as the total base
4 pension and such adjustments exceed six hundred dollars monthly.

5 5. A surviving spouse who is entitled to benefits under the
6 provisions of subsection 1 of this section as a result of the
7 death on or before August 28, 2009, of a member in service who is
8 receiving benefits under sections 86.900 to 86.1280 and who does
9 not qualify under the provisions of subsection 4 of this section
10 shall, upon application to the retirement board, be appointed as
11 a consultant, and for such services such surviving spouse shall
12 be compensated in an amount which, without including any
13 supplemental retirement benefits provided by sections 86.900 to
14 86.1280, shall be six hundred dollars monthly. A pension benefit
15 under this subsection shall be paid in lieu of any base pension
16 as increased by cost-of-living adjustments granted under section
17 86.1220. The benefit under this subsection shall not be subject
18 to cost-of-living adjustments, but shall be terminated and
19 replaced by the base pension and cost-of-living adjustments to
20 which such surviving spouse would otherwise be entitled at such
21 time as the total base pension and such adjustments exceed six
22 hundred dollars monthly. As used in this subsection, "surviving
23 spouse" shall not include any children of the member who would be
24 entitled to receive part or all of the pension that would be
25 received by a surviving spouse, if living.

26 6. Any beneficiary of benefits under sections 86.900 to
27 86.1280 who becomes the surviving spouse of more than one member
28 shall be paid all benefits due a surviving spouse of that member

1 whose entitlements produce the largest surviving spouse benefits
2 for such beneficiary but shall not be paid surviving spouse
3 benefits as the surviving spouse of more than one member.

4 86.1250. 1. (1) Upon the death of a member in service or
5 after retirement, such member's child or children under the age
6 of eighteen years at the time of the member's death shall be paid
7 fifty dollars per month each until he or she shall attain the age
8 of eighteen years; however, each such child who is or becomes a
9 full-time student at an accredited educational institution shall
10 continue to receive payments under this section for so long as
11 such child shall remain such a full-time student or shall be in a
12 summer or other vacation period scheduled by the institution with
13 intent by such child, demonstrated to the satisfaction of the
14 retirement board, to return to such full-time student status upon
15 the resumption of the institution's classes following such
16 vacation period, but in no event shall such payments be continued
17 after such child shall attain the age of twenty-one years except
18 as hereinafter provided.

19 (2) Any child eighteen years of age or older, who is
20 physically or mentally incapacitated from wage earning, so long
21 as such incapacity exists as certified by a member of the medical
22 board, shall be entitled to the same benefits as a child under
23 the age of eighteen. For purposes of this section, a
24 determination of whether a child of a member is physically or
25 mentally incapacitated from wage earning so that the child is
26 entitled to benefits under this section shall be made at the time
27 of the member's death. If a child becomes incapacitated after
28 the member's death, or if a child's incapacity existing at the

1 member's death is removed and such child later becomes
2 incapacitated again, such child shall not be entitled to benefits
3 as an incapacitated child under the provisions of this section.
4 A child shall be deemed incapacitated only for so long as the
5 incapacity existing at the time of the member's death continues.

6 (3) Notwithstanding any other law to the contrary, amounts
7 payable under subdivision (1) or (2) of this subsection shall not
8 be subject to offset or reduction by amounts paid or payable
9 under any workers' compensation or similar law.

10 2. Upon or after the death of a member in service or after
11 retirement with entitlement to benefits, if there is no surviving
12 spouse or if a surviving spouse dies, the total amount, including
13 any amounts receivable as consulting compensation, but not
14 including any supplemental benefits under section 86.1230 for a
15 Tier I member or section 86.1231 for a Tier II member, which
16 would be received by a qualified surviving spouse or which is
17 being received by the surviving spouse at the date of death of
18 such surviving spouse shall be added to the amounts received by
19 and shall be divided among the children of such member under the
20 age of eighteen years and the incapacitated children in equal
21 shares. As each such child attains the age of eighteen years or
22 has such incapacity removed, such total amount shall then be
23 divided among the remaining such children, until there is no
24 remaining child of such member under the age of eighteen years or
25 incapacitated, at which time all benefits for children of such
26 member under this subsection shall cease.

27 3. Upon the death of a member in service or after
28 retirement, a funeral benefit of one thousand dollars shall be

1 paid to the person or entity who provided or paid for the funeral
2 services for such member.

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

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

11 3. The retirement board shall hold in trust the assets of
12 the retirement system for the exclusive benefit of the members
13 and their beneficiaries and for defraying reasonable
14 administrative expenses of the system. No part of such assets
15 shall, at any time prior to the satisfaction of all liabilities
16 with respect to members and their beneficiaries, be used for or
17 diverted to any purpose other than such exclusive benefit or to
18 any purpose inconsistent with sections 86.900 to 86.1280.

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

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

24 (2) Age sixty [if the] for any Tier I member who has
25 completed at least ten years of creditable service or age sixty
26 for any Tier II member who has completed at least fifteen years
27 of creditable service;

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

1 (4) To the extent funded, upon the termination of the
2 system established under sections 86.900 to 86.1280 or any
3 partial termination which affects the members or any complete
4 discontinuance of contributions by the city to the system.

5
6 Amounts representing forfeited nonvested benefits of terminated
7 members shall not be used to increase benefits payable from the
8 system but may be used to reduce contributions for future plan
9 years.

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

16 6. A member or beneficiary of a member shall not accrue a
17 service retirement annuity, disability retirement annuity, death
18 benefit, whether death occurs in the line of duty or otherwise,
19 or any other benefit under sections 86.900 to 86.1280 in excess
20 of the benefit limits applicable to the fund under Section 415 of
21 the Internal Revenue Code. The retirement board shall reduce the
22 amount of any benefit that exceeds those limits by the amount of
23 the excess. If the total benefits under the retirement system
24 and the benefits and contributions to which any member is
25 entitled under any other qualified plan or plans maintained by
26 the board of police commissioners that employs the member would
27 otherwise exceed the applicable limits under Section 415 of the
28 Internal Revenue Code, the benefits the member would otherwise

1 receive from the retirement system shall be reduced to the extent
2 necessary to enable the benefits to comply with Section 415 of
3 the Internal Revenue Code.

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

11 8. If the amount of any benefit is to be determined on the
12 basis of actuarial assumptions that are not otherwise
13 specifically set forth for that purpose in sections 86.900 to
14 86.1280, the actuarial assumptions to be used are those earnings
15 and mortality assumptions being used on the date of the
16 determination by the retirement system's actuary and approved by
17 the retirement board. The actuarial assumptions being used at
18 any particular time shall be attached as an addendum to a copy of
19 the retirement system's statute that is maintained by the
20 retirement board and shall be treated for all purposes as a part
21 of sections 86.900 to 86.1280. The actuarial assumptions may be
22 changed by the retirement system's actuary annually if approved
23 by the retirement board, but a change in actuarial assumptions
24 shall not result in any decrease in benefits accrued as of the
25 effective date of the change.

26 9. Any member or beneficiary who is entitled to receive any
27 distribution that is an eligible rollover distribution, as
28 defined by Section 402(c)(4) of the Internal Revenue Code, is

1 entitled to have that distribution transferred directly to
2 another eligible retirement plan of the member's or beneficiary's
3 choice upon providing direction to the secretary of this
4 retirement system regarding the transfer in accordance with
5 procedures established by the retirement board.

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

7 (1) For the purposes of subsection 9 of this section, an
8 eligible retirement plan shall also mean an annuity contract
9 described in Section 403(b) of the Internal Revenue Code and an
10 eligible plan under Section 457(b) of the Internal Revenue Code
11 which is maintained by the state, political subdivision of a
12 state, or any agency or instrumentality of a state or political
13 subdivision of a state and which agrees to separately account for
14 amounts transferred into such plan from the retirement system.
15 The definition of eligible retirement plan shall also apply in
16 the case of a distribution to a surviving spouse or to a spouse
17 or former spouse who is the alternate payee under a qualified
18 domestic relations order, as defined in Section 414(p) of the
19 Internal Revenue Code; and

20 (2) For purposes of subsection 9 of this section, a portion
21 of a distribution shall not fail to be an eligible rollover
22 distribution merely because the portion consists of after-tax
23 employee contributions which are not includable in gross income.
24 However, such portion may be paid only to an individual
25 retirement account or annuity described in Section 408(a) or
26 408(b) of the Internal Revenue Code, or to a qualified defined
27 contribution plan described in Section 401(a) or 403(a) of the
28 Internal Revenue Code that agrees to separately account for

1 amounts so transferred, including separately accounting for the
2 portion of such distribution that is includable in gross income
3 and the portion of such distribution that is not so includable.

4 86.1310. The following words and phrases as used in
5 sections 86.1310 to 86.1640 shall have the following meanings
6 unless a different meaning is plainly required by the context:

7 (1) "Accumulated contributions", the sum of all amounts
8 deducted from the compensation of a member and paid to the
9 retirement board, together with all amounts paid to the
10 retirement board by a member or by a member's beneficiary for the
11 purchase of prior service credits or any other purpose permitted
12 under sections 86.1310 to 86.1640, in all cases with interest, if
13 any, thereon at a rate determined from time to time for such
14 purpose by the retirement board;

15 (2) "Actuarial cost", the present value of a future payment
16 or series of payments as calculated by applying the actuarial
17 assumptions established according to subsection 8 of section
18 86.1630;

19 (3) "Beneficiary", any person entitled, either currently or
20 conditionally, to receive pension or other benefits provided in
21 sections 86.1310 to 86.1640;

22 (4) "Board of police commissioners", the board composed of
23 police commissioners authorized by law to employ and manage an
24 organized police force in the cities;

25 (5) "City" or "cities", any city which now has or may
26 hereafter have a population of more than three hundred thousand
27 and less than seven hundred thousand inhabitants, or any city
28 that has made an election under section 86.1320 to continue a

1 civilian employees' retirement system theretofore maintained
2 under sections 86.1310 to 86.1640;

3 (6) "Compensation", the basic wage or salary paid a member
4 for any period, excluding bonuses, overtime pay, expense
5 allowances, and other extraordinary compensation; except that,
6 notwithstanding such provision, compensation for any year for any
7 member shall not exceed the amount permitted to be taken into
8 account under Section 401(a)(17) of the Internal Revenue Code as
9 applicable to such year;

10 (7) "Consultant", unless otherwise specifically defined,
11 means a person retained by the retirement system as a special
12 consultant on the problems of retirement, aging and related
13 matters who, upon request of the retirement board, shall give
14 opinions and be available to give opinions in writing or orally
15 in response to such requests, as may be needed by the board;

16 (8) "Creditable service", service qualifying as a
17 determinant of a member's pension or other benefit under sections
18 86.1310 to 86.1640 by meeting the requirements specified in such
19 sections, or section 105.691;

20 (9) "Employee", any regularly appointed civilian employee
21 of the police department of the city as specified in sections
22 86.1310 to 86.1640 who is:

23 (a) Appointed prior to August 28, 2011, and is not eligible
24 to receive a pension from the police retirement system of said
25 city;

26 (b) Appointed on or after August 28, 2011, and is not
27 eligible to receive a pension from the police retirement system
28 of such city or from any other retirement or pension system of

1 such city;

2 (10) "Final compensation"[,]:

3 (a) For a Tier I member as described in subdivision (13) of
4 this section, the average annual compensation of a member during
5 the member's service if less than two years, or the twenty-four
6 months of service for which the member received the highest
7 salary whether consecutive or otherwise[.];

8 (b) For a Tier II member as described in subdivision (13)
9 of this section, the average annual compensation of a member
10 during the member's service if less than three years, or the
11 thirty-six months of service for which the member received the
12 highest salary whether consecutive or otherwise;

13 (c) For any period of time when a member is paid on a
14 frequency other than monthly, the member's salary for such period
15 shall be deemed to be the monthly equivalent of the member's
16 annual rate of compensation for such period;

17 (11) "Internal Revenue Code", the United States Internal
18 Revenue Code of 1986, as amended;

19 (12) "Medical board", not less than one nor more than three
20 physicians appointed by the retirement board to arrange for and
21 conduct medical examinations as directed by the retirement board;

22 (13) "Member", a member of the civilian employees'
23 retirement system as described in section 86.1480[;]:

24 (a) "Tier I member", any person who became a member prior
25 to August 28, 2013, and who remains a member on August 28, 2013,
26 shall remain a Tier I member until such member's membership is
27 terminated as described in section 86.1520;

28 (b) "Tier I surviving spouse", the surviving spouse of a

1 Tier I member;

2 (c) "Tier II member", any person who became a member on or
3 after August 28, 2013;

4 (d) "Tier II surviving spouse", the surviving spouse of a
5 Tier II member;

6 (e) Any person whose membership is terminated as described
7 in section 86.1520 and who re-enters membership on or after
8 August 28, 2013, shall become a member under paragraph (c) of
9 this subdivision;

10 (14) "Pension", annual payments for life, payable monthly,
11 at the times described in section 86.1420;

12 (15) "Pension fund", the fund resulting from contributions
13 made thereto by the cities affected by sections 86.1310 to
14 86.1640 and by the members of the civilian employees' retirement
15 system;

16 (16) "Retirement", termination of a member's status as an
17 employee of the police department of the city at a time when the
18 member or the member's beneficiary is immediately entitled to one
19 or more benefits under sections 86.1310 to 86.1640;

20 (17) "Retirement board" or "board", the board provided in
21 section 86.1330 to administer the retirement system;

22 (18) "Retirement system", the civilian employees'
23 retirement system of the police department of the cities as
24 defined in section 86.1320;

25 (19) "Surviving spouse", when determining whether a person
26 is entitled to benefits under sections 86.1310 to 86.1640 by
27 reason of surviving a member, shall include only:

28 (a) The person who was married to the member at the time of

1 the member's death in service prior to August 28, 2001, and who
2 had not remarried prior to August 28, 2001;

3 (b) The person who was married to the member at the time of
4 the member's death in service on or after August 28, 2001;

5 (c) In the case of any member who both retired and died
6 prior to August 28, 2001, the person who was married to the
7 member at the time of the member's death and who had not
8 remarried prior to August 28, 2001;

9 (d) In the case of any member who retired prior to August
10 28, 2001, and died on or after that date, the person who was
11 married to the member at the time of the member's death; or

12 (e) In the case of any member who retired on or after
13 August 28, 2001, the person who was married to the member at both
14 the time of the member's retirement and the time of the member's
15 death.

16 86.1380. The retirement board shall before [January tenth]
17 October fifteenth of each year certify to the chief financial
18 officer of such city the amount to be paid by the city to the
19 retirement pension system for the succeeding fiscal year, as
20 otherwise provided by sections 86.1310 to 86.1640.

21 86.1420. 1. All benefits and all necessary administrative
22 expenses of the retirement system shall be paid from the funds of
23 the retirement system.

24 2. The base pension of a member who, after August 28, 2011,
25 retires from or otherwise terminates active service with
26 entitlement to a base pension under sections 86.1310 to 86.1640
27 shall commence as of the first day of the month next following
28 such retirement or termination with no proration of such pension

1 for the month in which such retirement or termination occurs.
2 The supplemental retirement benefit of a member who, after August
3 28, 2011, retires from or otherwise terminates active service
4 with entitlement to a supplemental retirement benefit provided in
5 subsection 1 of section 86.1600 shall commence as of the first
6 day of the month next following such retirement or termination
7 with no proration of such supplemental retirement benefit for the
8 month in which such retirement or termination occurs.

9 3. Upon the death of a member in service who leaves a
10 surviving spouse, as defined in section 86.1310, entitled to
11 benefits, any base pension which such surviving spouse shall
12 elect under subdivision (2) of subsection 1 of section 86.1610 or
13 under paragraph (b) of subdivision (3) of subsection 1 of section
14 86.1610 shall commence the later of the first day of the month
15 next following such death or the first day of the month following
16 the date which would have been the member's earliest possible
17 retirement date permitted under ~~[subsection]~~ subsections 2 or 3
18 of section 86.1540 with no proration of such pension for the
19 month prior to such commencement date. Any base pension which
20 such surviving spouse shall elect under paragraph (c) of
21 subdivision (3) of subsection 1 of section 86.1610 shall commence
22 the first day of the month next following such death with no
23 proration of such pension for the month prior to such
24 commencement date.

25 4. Upon the death of a member who is receiving a base
26 pension under sections 86.1310 to 86.1640 leaving a surviving
27 spouse, as defined in section 86.1310, entitled to benefits, the
28 pension of such surviving spouse shall commence on the first day

1 of the month next following such death with no proration for the
2 month in which such death occurs.

3 5. All payments of any benefit shall be paid on the first
4 business day of each month for that month. For any benefit under
5 sections 86.1310 to 86.1640, the retirement system shall withhold
6 payment of such benefit until all requisite documentation has
7 been filed with the retirement system evidencing the entitlement
8 of the payee to such payment. The final payment due to a retired
9 member shall be the payment due on the first day of the month in
10 which such member's death occurs. The final payment due to any
11 surviving spouse shall be the payment due on the first day of the
12 month in which such surviving spouse dies or otherwise ceases to
13 be entitled to benefits under sections 86.1310 to 86.1640.

14 6. If no benefits are otherwise payable to a surviving
15 spouse of a deceased member or otherwise as provided in this
16 section, the member's accumulated contributions, to any extent
17 not fully paid to such member prior to the member's death or to
18 the surviving spouse of such member or otherwise as provided in
19 this section, shall be paid in one lump sum to the member's
20 beneficiary named by such member in a writing filed with the
21 retirement system prior to the member's death for the purpose of
22 receiving such benefit, and if no beneficiary is named, then to
23 such member's estate. Such payment shall constitute full and
24 final payment of any and all claims for benefits under the
25 retirement system, except as provided in section 86.1620.

26 86.1500. 1. Whenever a member is given a leave of absence
27 for military service and returns to employment after discharge
28 from the service, such member shall be entitled to creditable

1 service for the years of employment prior to the leave of
2 absence.

3 2. Except as provided in subsection 3 of this section, a
4 member who served on active duty in the Armed Forces of the
5 United States and who became a member, or returned to membership,
6 after discharge under honorable conditions, may elect prior to
7 retirement to purchase creditable service equivalent to such
8 service in the Armed Forces, not to exceed two years, provided
9 the member is not receiving and is not eligible to receive
10 retirement credits or benefits from any other public or private
11 retirement plan for the service to be purchased, other than a
12 United States military service retirement system or United States
13 Social Security benefits attributable to such military service,
14 and an affidavit so stating is filed by the member with the
15 retirement system. A member electing to make such purchase shall
16 pay to the retirement system an amount equal to the actuarial
17 cost of the additional benefits attributable to the additional
18 service credit to be purchased, as of the date the member elects
19 to make such purchase. Payment in full of the amount due from a
20 member electing to purchase creditable service under this
21 subsection shall be made over a period not to exceed five years,
22 measured from the date of election, or prior to the commencement
23 date for payment of benefits to the member from the retirement
24 system, whichever is earlier, including interest on unpaid
25 balances compounded annually at the interest rate assumed from
26 time to time for actuarial valuations of the retirement system.
27 If payment in full including interest is not made within the
28 prescribed period, any partial payments made by the member shall

1 be refunded, and no creditable service attributable to such
2 election, or as a result of any such partial payments, shall be
3 allowed; provided that if a benefit commencement date occurs
4 because of the death or disability of a member who has made an
5 election under this subsection and if the member is current in
6 payments under an approved installment plan at the time of the
7 death or disability, such election shall be valid if the member,
8 the surviving spouse or other person entitled to benefit payments
9 pays the entire balance of the remaining amount due, including
10 interest to the date of such payment, within sixty days after the
11 member's death or disability. The time of a disability shall be
12 deemed to be the time when such member is determined by the
13 retirement board to be totally and permanently disabled as
14 provided in section 86.1560.

15 3. Notwithstanding any other provision of sections 86.1310
16 to 86.1640, a member who is on leave of absence for military
17 service during any portion of which leave the United States is in
18 a state of declared war, or a compulsory draft is in effect for
19 any of the military branches of the United States, or any units
20 of the military reserves of the United States, including the
21 National Guard, are mobilized for combat military operations, and
22 who becomes entitled to reemployment rights and other employment
23 benefits under Title 38, Chapter 43 of the U.S. Code, relating to
24 employment and reemployment rights of members of the uniformed
25 services by meeting the requirements for such rights and benefits
26 under Section 4312 of said chapter, or the corresponding
27 provisions of any subsequent applicable federal statute, shall be
28 entitled to service credit for the time spent in such military

1 service for all purposes of sections 86.1310 to 86.1640 and such
2 member shall not be required to pay any member contributions for
3 such time. If it becomes necessary for the years of such service
4 to be included in the calculation of such member's compensation
5 for any purpose, such member shall be deemed to have received the
6 same compensation throughout such period of service as the
7 member's base annual salary immediately prior to the commencement
8 of such leave of absence; provided, however, that the foregoing
9 provisions of this subsection shall apply only to such portion of
10 such leave with respect to which the cumulative length of the
11 absence and of all previous absences from a position of
12 employment with the employer by reason of service in the
13 uniformed services does not exceed five years except for such
14 period of any such excess as meets the requirements for
15 exceptions to such five-year limitation set forth in the
16 aforesaid Section 4312.

17 86.1530. The normal retirement date of a member shall be
18 the later of:

19 (1) Tier I member - the date such member attains the age of
20 sixty-five years, or the tenth anniversary of such member's
21 employment; or

22 (2) Tier II member - the date such member attains the age
23 of sixty-seven years, or the twentieth anniversary of such
24 member's employment.

25 86.1540. 1. (1) Upon retirement on or after a member's
26 normal retirement date, such member shall receive a base pension
27 in the amount of two percent of such member's final compensation
28 times the number of years, including fractions thereof, of such

1 member's creditable service.

2 (2) Such member may elect to receive a different base
3 pension under an election permitted under this section or section
4 86.1580.

5 2. Tier I members may elect early retirement as follows:

6 (1) Beginning at age fifty-five, if the member has
7 completed at least ten years of creditable service or at any
8 later age after the member has completed at least ten years of
9 creditable service. Unless subdivision (3) of this subsection
10 shall be applicable, the benefit as computed under subsection 1
11 of this section shall be reduced by one-half of one percent for
12 each full month the initial payment is prior to the first day of
13 the month following that in which such member will attain age
14 sixty;

15 (2) Beginning at age sixty, if the member has completed at
16 least five but not more than ten years of creditable service or
17 at any later age after the member has completed at least five
18 years of creditable service. Unless subdivision (3) of this
19 subsection shall be applicable, the benefit as computed under
20 subsection 1 of this section shall be reduced by one-half of one
21 percent for each full month the initial payment is prior to the
22 first day of the month following that in which such member will
23 attain age sixty-five; or

24 (3) At any time after the member's total of age and years
25 of creditable service equals or exceeds eighty, in which event
26 the benefit shall be as computed under subsection 1 of this
27 section without any reduction. If an election for early
28 retirement results in a reduced benefit under subdivision (1) or

1 (2) of this subsection, such reduced benefit shall become the
2 member's base pension, subject to all other adjustments described
3 in this section.

4 3. Tier II members may elect early retirement as follows:

5 (1) Beginning at age sixty-two, if the member has completed
6 at least five years of creditable service, the benefit as
7 computed under subsection 1 of this section shall be reduced by
8 one-half of one percent for each full month the initial payment
9 is prior to the first day of the month following that in which
10 such member will attain age sixty-seven; or

11 (2) At any time after the member has completed at least
12 twenty years of creditable service and is at least sixty-two
13 years of age, in which event the benefit shall be as computed
14 under subsection 1 of this section without any reduction; or

15 (3) At any time after the member's total of age and years
16 of creditable service equals or exceeds eighty-five, in which
17 event the benefit shall be as computed under subsection 1 of this
18 section without any reduction. If an election for early
19 retirement results in a reduced benefit under subdivision (1) of
20 this subsection, such reduced benefit shall become the member's
21 base pension, subject to all other adjustments described in this
22 section.

23 4. (1) A member who is married at the time of retirement
24 may by a written election, with the written consent of such
25 member's spouse, elect an optional benefit calculated as follows:
26 such optional benefit shall be a monthly pension in the initial
27 amount which shall be actuarially equivalent to the actuarial
28 value of the pension described in subdivision (1) of subsection 1

1 of this section for such member at the date of retirement
2 (including the value of survivorship rights of a surviving
3 spouse, where applicable, under section 86.1610), upon the basis
4 that the initial annuity for the member's spouse, if such spouse
5 survives the member, shall be the same as the amount being paid
6 the member on such annuity at the member's death, and, subject to
7 cost-of-living adjustments thereafter declared on the spouse's
8 base pension under section 86.1590, shall be paid to such
9 surviving spouse for the lifetime of such spouse without regard
10 to remarriage. If a member who makes an election of an optional
11 benefit under this subsection has also elected an early
12 retirement under either subdivision (1) or (2) of subsection 2 of
13 this section or subdivision (1) of subsection 3 of this section,
14 any reduction in benefit required for such early retirement
15 election shall be calculated before calculating the initial
16 amount of the optional benefit under this subsection.

17 (2) If a member who makes the election permitted by this
18 subsection also makes an election permitted under section
19 86.1580, such optional benefit shall be reduced as provided in
20 subdivision (3) of subsection 2 of section 86.1580.

21 (3) If a member makes the election permitted by this
22 subsection, the amount calculated for such optional benefit under
23 either subdivision (1) or (2) of this subsection shall be the
24 base pension for such member and for such member's spouse for all
25 purposes of sections 86.1310 to 86.1640.

26 (4) An election for an optional benefit under this
27 subsection shall be void if the member dies within thirty days
28 after filing such election with the retirement system or if the

1 member dies before the due date of the first payment of such
2 member's pension.

3 [4.] 5. Subject to the provisions of subsection [6] 7 of
4 this section, whenever the service of a member is terminated
5 after August 28, 1999, for any reason prior to death or
6 retirement and the member has five or more years of creditable
7 service, the member may elect not to withdraw such member's
8 accumulated contributions and shall become entitled to receive a
9 pension upon such member's normal retirement date under
10 subdivision (1) of subsection 1 of this section or may elect to
11 receive a pension commencing upon or after any date, prior to his
12 or her normal retirement date, upon which early retirement would
13 have been permitted under subsection 2 of this section for Tier I
14 members or subsection 3 of this section for Tier II members if
15 such member had remained a civilian employee of such police
16 department, except that in calculating any qualification under
17 [subsection] subsections 2 or 3 of this section, such member
18 shall not be entitled to count any year of creditable service in
19 excess of such member's total years of creditable service at the
20 time of such member's termination of employment. The amount of
21 any pension commenced upon the basis of a date permitted under
22 [subsection] subsections 2 or 3 of this section shall be computed
23 on the basis of the member's final compensation and number of
24 years of creditable service, subject to such adjustments as may
25 be applicable under the subdivision of [subsection] subsections 2
26 or 3 of this section upon which such member relies in electing
27 such member's pension and subject to any other adjustments that
28 such member may elect under this section. The amount of the

1 initial pension calculated after all applicable adjustments shall
2 be the base pension for such member, and for such member's spouse
3 if such member shall elect the optional benefit permitted under
4 subsection ~~[3]~~ 4 of this section, for all purposes of sections
5 86.1310 to 86.1640. Payment of any benefits elected under this
6 subsection shall commence as of the first day of the month next
7 following the applicable date with no proration of such benefit
8 for any initial partial month.

9 ~~[5.]~~ 6. A member whose service was terminated on or before
10 August 28, 1999, after five or more years of creditable service,
11 and who permitted such member's accumulated contributions to
12 remain in the pension fund, shall upon application to the
13 retirement board be appointed as a consultant. For services as
14 such consultant, such member shall, beginning the later of August
15 28, 1999, or the time of such appointment under this subsection,
16 be entitled to elect to receive compensation in such amount and
17 at such time as such member would have been entitled to elect
18 under any of the provisions of subsection ~~[4]~~ 5 of this section
19 if such member had terminated service after August 28, 1999.
20 Such member shall be entitled to the same cost-of-living
21 adjustments following the commencement of such compensation as if
22 such member's compensation had been a base pension.

23 ~~[6.]~~ 7. Notwithstanding any other provisions of sections
24 86.1310 to 86.1640, any member who is convicted of a felony prior
25 to separation from active service shall not be entitled to any
26 benefit from this retirement system except the return of such
27 member's accumulated contributions.

28 86.1580. 1. Any member in active service entitled to

1 commence a pension under section 86.1540 may elect an optional
2 distribution under the partial lump sum option plan provided in
3 this section if the member:

4 (1) Notifies the retirement system in writing of the
5 member's retirement date at least ninety days in advance thereof
6 and requests an explanation of the member's rights under this
7 section; and

8 (2) Notifies the retirement system of the member's election
9 hereunder at least thirty days in advance of the retirement date.

10
11 Following receipt of an initial notice of a member's retirement
12 date and request for an explanation, the retirement system shall,
13 at least sixty days in advance of such retirement date, provide
14 the member a written explanation of such member's rights under
15 this section and an estimate of the amount by which the member's
16 regular monthly base pension would be reduced in the event of the
17 member's election of any of the options available to the member
18 under this section.

19 2. (1) A member entitled to make an election under this
20 section may elect to receive a lump sum distribution with the
21 member's initial monthly pension payment under section 86.1540,
22 subject to all the terms of this section. The member may elect
23 the amount of the member's lump sum distribution from one, but
24 not more than one, of the following options for which the member
25 qualifies:

26 (a) A member having one or more years of creditable service
27 after the member's eligible retirement date may elect a lump sum
28 amount equal to twelve times the initial monthly base pension the

1 member would receive if no election were made under this section;

2 (b) A member having two or more years of creditable service
3 after the member's eligible retirement date may elect a lump sum
4 amount equal to twenty-four times the initial monthly base
5 pension the member would receive if no election were made under
6 this section; or

7 (c) A member having three or more years of creditable
8 service after the member's eligible retirement date may elect a
9 lump sum amount equal to thirty-six times the initial monthly
10 base pension the member would receive if no election were made
11 under this section.

12
13 For purposes of this section, "eligible retirement date" for a
14 member shall mean the earliest date on which the member could
15 elect to retire and be entitled to receive a pension under
16 section 86.1540.

17 (2) When a member makes an election to receive a lump sum
18 distribution under this section, the base pension that the member
19 would have received in the absence of an election shall be
20 reduced on an actuarially equivalent basis to reflect the payment
21 of the lump sum distribution, and the reduced base pension shall
22 be the member's base pension thereafter for all purposes relating
23 to base pension amounts under sections 86.1310 to 86.1640, unless
24 the member has also elected an optional benefit permitted under
25 subsection **[3]** 4 of section 86.1540.

26 (3) If a member electing a lump sum distribution under this
27 section has elected the optional benefit permitted under
28 subsection **[3]** 4 of section 86.1540, the calculation of the

1 member's pension shall be made in the following order:

2 (a) The amount of the member's normal pension under
3 subdivision (1) of subsection 1 of section 86.1540 shall be
4 reduced if applicable by any reductions required under
5 ~~[subsection]~~ subsections 2 or 3 of section 86.1540;

6 (b) The amount of the pension as determined under paragraph
7 (a) of this subdivision shall be reduced to the actuarially
8 equivalent amount to produce the optional form of benefit
9 described in subdivision (1) of subsection ~~[3]~~ 4 of section
10 86.1540;

11 (c) The amount of reduced pension as determined under
12 paragraph (b) of this subdivision shall be further reduced as
13 required to produce an actuarially equivalent benefit in the form
14 of the lump sum distribution option elected under this section
15 and a remaining monthly annuity which shall be paid on the basis
16 that the initial annuity for the member's spouse, if such spouse
17 survives the member, shall be the same as the amount being paid
18 the member on this annuity at the member's death, and, subject to
19 cost-of-living adjustments thereafter declared on the spouse's
20 base pension under section 86.1590, shall be paid to such
21 surviving spouse for the lifetime of such spouse without regard
22 to remarriage.

23 3. An election under this section to receive a lump sum
24 distribution and reduced monthly base pension shall be void if
25 the member dies before retirement, in which case amounts due a
26 surviving spouse or other beneficiary of the member shall be
27 determined without regard to such election.

28 86.1590. 1. Provided that the retirement system shall

1 remain actuarially sound, each of the following persons may
2 receive each year, in addition to such person's base pension, a
3 cost-of-living adjustment in an amount not to exceed three
4 percent of such person's base pension during any one year:

5 (1) Every member who is retired and receiving a base
6 pension from this retirement system; and

7 (2) Every surviving spouse who is receiving a base pension
8 from this retirement system.

9 2. Upon the death of a member who has been retired and
10 receiving a pension, and who dies after August 28, 2001, the
11 surviving spouse of such member entitled to receive a base
12 pension under section 86.1610 shall receive an immediate
13 percentage cost-of-living adjustment to his or her base pension
14 equal to the total percentage cost-of-living adjustments received
15 during such member's lifetime under this section, but such
16 adjustment shall not be deemed to change the base pension amount
17 to which subsequent cost-of-living adjustments may be made.

18 3. For purposes of this section, the term "base pension"
19 shall mean:

20 (1) For a member, the pension computed under the provisions
21 of the law as of the date of retirement without regard to
22 cost-of-living adjustments, as adjusted if applicable, for any
23 optional elections made under sections 86.1540 and 86.1580, but
24 in all events not including any supplemental benefit under
25 section 86.1600;

26 (2) For a surviving spouse whose pension is prescribed by
27 section 86.1610, the base pension calculated for such spouse in
28 accordance with the provisions of section 86.1610, including any

1 compensation as a consultant to which such surviving spouse is
2 entitled under said section in lieu of a pension, but not
3 including any supplemental benefit under section 86.1600;

4 (3) For a surviving spouse entitled to the continuation of
5 an optional benefit elected under subsection [3] 4 of section
6 86.1540, the base pension determined in accordance with
7 subdivision (3) of subsection [3] 4 of section 86.1540.

8 4. The cost-of-living adjustment shall be an increase or
9 decrease computed on the base pension amount by the retirement
10 board in an amount that the board, in its discretion, determines
11 to be satisfactory, but in no event shall the adjustment be more
12 than three percent or reduce the pension to an amount less than
13 the base pension. In determining and granting the cost-of-living
14 adjustments, the retirement board shall adopt such rules and
15 regulations as may be necessary to effectuate the purposes of
16 this section, including provisions for the manner of computation
17 of such adjustments and the effective dates thereof. The
18 retirement board shall provide for such adjustments to be
19 determined once each year and granted on a date or dates to be
20 chosen by the board, and may apply such adjustments in full to
21 members who have retired during the year prior to such
22 adjustments but who have not been retired for one full year and
23 to the surviving spouse of a member who has died during the year
24 prior to such adjustments.

25 5. The determination of whether the retirement system will
26 remain actuarially sound shall be made at the time any
27 cost-of-living adjustment is granted. If at any time the
28 retirement system ceases to be actuarially sound, pension

1 payments shall continue as adjusted by increases theretofore
2 granted. A member of the retirement board shall have no personal
3 liability for granting increases under this section if that
4 retirement board member in good faith relied and acted upon
5 advice of a qualified actuary that the retirement system would
6 remain actuarially sound.

7 86.1610. 1. Upon receipt of the proper proofs of death of
8 a member in service for any reason whatsoever, the following
9 amounts shall be payable subject to subsection 4 of this section,
10 and if a pension shall be elected, the initial amount thereof
11 shall be the base pension for such surviving spouse:

12 (1) If the member has less than five years of creditable
13 service, the member's surviving spouse shall be paid, in one lump
14 sum, the amount of the member's accumulated contributions. If
15 there is no surviving spouse, the member's accumulated
16 contributions shall be paid as provided in subsection 6 of
17 section 86.1420;

18 (2) If the member has at least five but fewer than twenty
19 years of creditable service, the member's surviving spouse may
20 elect the lump sum settlement in subdivision (1) of this
21 subsection or a pension. Such pension shall be fifty percent of
22 the member's accrued pension at date of death as computed in
23 subdivision (1) of subsection 1 of section 86.1540, commencing as
24 provided in subsection 3 of section 86.1420;

25 (3) If the member has at least twenty years of creditable
26 service, the member's surviving spouse may elect any one of:

27 (a) The lump sum settlement in subdivision (1) of this
28 subsection;

1 (b) The pension as computed in subdivision (2) of this
2 subsection; or

3 (c) A pension in the monthly amount determined on a joint
4 and survivor's basis from the actuarial value of the member's
5 accrued annuity at date of death;

6 (4) Any death of a retired member occurring before the
7 first payment of the retirement pension shall be deemed to be a
8 death prior to retirement;

9 (5) For the surviving spouse of a member who died in
10 service after August 28, 2001, benefits payable under subsection
11 1 of this section shall continue for the lifetime of such
12 surviving spouse without regard to remarriage.

13 2. Upon death of a member after retirement who has not
14 elected the optional annuity permitted under subsection ~~3~~ 4 of
15 section 86.1540, the surviving spouse shall receive a base
16 pension payable for life, equaling fifty percent of the member's
17 base pension, as of the member's retirement date, subject to the
18 following:

19 (1) No surviving spouse of a member who retires after
20 August 28, 2001, shall be entitled to receive any benefits under
21 sections 86.1310 to 86.1640 unless such spouse was married to the
22 member at the time of the member's retirement; and

23 (2) Any surviving spouse who was married to such a member
24 at the time of the member's retirement shall be entitled to all
25 benefits for surviving spouses under sections 86.1310 to 86.1640
26 for the life of such surviving spouse without regard to
27 remarriage.

28 3. In the case of any member who, prior to August 28, 2001,

1 died in service or retired, the surviving spouse who would
2 qualify for benefits under subsection 1 or 2 of this section but
3 for remarriage, and has not remarried prior to August 28, 2001,
4 but remarries thereafter, shall upon application be appointed by
5 the retirement board as a consultant. For services as such
6 consultant, such surviving spouse shall be compensated in an
7 amount equal to the benefits such spouse would have received
8 under sections 86.1310 to 86.1640 in the absence of such
9 remarriage.

10 4. Any beneficiary of benefits under sections 86.1310 to
11 86.1640 who becomes the surviving spouse of more than one member
12 shall be paid all benefits due a surviving spouse of that member
13 whose entitlements produce the largest surviving spouse benefits
14 for such beneficiary but shall not be paid surviving spouse
15 benefits as the surviving spouse of more than one member, except
16 that any surviving spouse for whom an election has been made for
17 an optional benefit under subsection **[3]** 4 of section 86.1540
18 shall be entitled to every optional benefit for which such
19 surviving spouse has so contracted.

20 86.1630. 1. A retirement plan under sections 86.1310 to
21 86.1640 is a qualified plan under the provisions of applicable
22 federal law. The benefits and conditions of a retirement plan
23 under sections 86.1310 to 86.1640 shall always be adjusted to
24 ensure that the tax-exempt status is maintained.

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

28 3. The retirement board shall hold in trust the assets of

1 the retirement system for the exclusive benefit of the members
2 and their beneficiaries and for defraying reasonable
3 administrative expenses of the system. No part of such assets
4 shall, at any time prior to the satisfaction of all liabilities
5 with respect to members and their beneficiaries, be used for or
6 diverted to any purpose other than such exclusive benefit or to
7 any purpose inconsistent with sections 86.1310 to 86.1640.

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

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

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

20 (3) To the extent funded, upon the termination of the
21 system established under sections 86.1310 to 86.1640 or any
22 partial termination which affects the member or any complete
23 discontinuance of contributions by the city to the system.

24
25 Amounts representing forfeited nonvested benefits of terminated
26 members shall not be used to increase benefits payable from the
27 system but may be used to reduce contributions for future plan
28 years.

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

7 6. A member or beneficiary of a member shall not accrue a
8 service retirement annuity, disability retirement annuity, death
9 benefit, whether death occurs in the line of duty or otherwise,
10 or any other benefit under sections 86.1310 to 86.1640 in excess
11 of the benefit limits applicable to the fund under Section 415 of
12 the Internal Revenue Code. The retirement board shall reduce the
13 amount of any benefit that exceeds the limits of this section by
14 the amount of the excess. If the total benefits under the
15 retirement system and the benefits and contributions to which any
16 member is entitled under any other qualified plan or plans
17 maintained by the board of police commissioners that employs the
18 member would otherwise exceed the applicable limits under Section
19 415 of the Internal Revenue Code, the benefits the member would
20 otherwise receive from the retirement system are reduced to the
21 extent necessary to enable the benefits to comply with Section
22 415 of the Internal Revenue Code.

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

1 the Internal Revenue Code.

2 8. If the amount of any benefit is determined on the basis
3 of actuarial assumptions that are not specifically set forth for
4 that purpose in sections 86.1310 to 86.1640, the actuarial
5 assumptions to be used are those earnings and mortality
6 assumptions used on the date of the determination by the
7 retirement system's actuary and approved by the retirement board.
8 The actuarial assumptions used at any particular time shall be
9 attached as an addendum to a copy of the retirement system's
10 statute maintained by the retirement board and shall be treated
11 for all purposes as part of sections 86.1310 to 86.1640. The
12 actuarial assumptions may be changed by the retirement system's
13 actuary annually if approved by the retirement board, but a
14 change in actuarial assumptions shall not result in any decrease
15 in benefits accrued as of the effective date of the change.

16 9. Any member or beneficiary who is entitled to receive any
17 distribution that is an eligible rollover distribution, as
18 defined by Section 402(c)(4) of the Internal Revenue Code, is
19 entitled to have that distribution transferred directly to
20 another eligible retirement plan of the member's or beneficiary's
21 choice upon providing direction to the secretary of the
22 retirement system regarding the transfer in accordance with
23 procedures established by the retirement board.

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

25 (1) For the purposes of subsection 9 of this section, an
26 eligible retirement plan shall also mean an annuity described in
27 Section 403(b) of the Internal Revenue Code and an eligible plan
28 under Section 457(b) of the Internal Revenue Code that is

1 maintained by a state, political subdivision of a state, or any
2 agency or instrumentality of a state or political subdivision of
3 a state and which agrees to separately account for amounts
4 transferred into such plan from the retirement system. The
5 definition for eligible retirement plan shall also apply in the
6 case of a distribution to a surviving spouse or to a spouse or
7 former spouse who is the alternate payee under a qualified
8 domestic relations order, as defined in Section 414(p) of the
9 Internal Revenue Code; and

10 (2) For the purposes of subsection 9 of this section, a
11 portion of a distribution shall not fail to be an eligible
12 rollover distribution merely because the portion consists of
13 after-tax employee contributions which are not includable in
14 gross income. However, such portion may be paid only to an
15 individual retirement account or annuity described in Section
16 408(a) or 408(b) of the Internal Revenue Code, or to a qualified
17 defined contribution plan described in Section 401(a) or 403(a)
18 of the Internal Revenue Code that agrees to separately account
19 for amounts so transferred, including separately accounting for
20 the portion of such distribution that is includable in gross
21 income and the portion of such distribution that is not so
22 includable.

23 103.025. The board shall arrange for annual audits of the
24 records and accounts of the plan by a certified public accountant
25 or firm of certified public accountants. [The state auditor
26 shall examine such audits at least once every three years and
27 report to the board and the governor.]

28 104.190. 1. The board shall keep a complete record of all

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

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

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

22 4. The board shall arrange for annual audits of the records
23 and accounts of the system by a certified public accountant or by
24 a firm of certified public accountants. [The state auditor shall
25 examine such audits at least once every three years and report to
26 the board and the governor.]

27 104.480. 1. The board shall keep a complete record of all
28 its proceedings, which shall be open at all reasonable hours to

1 the inspection of any member.

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

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

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

23 169.020. 1. For the purpose of providing retirement
24 allowances and other benefits for public school teachers, there
25 is hereby created and established a retirement system which shall
26 be a body corporate, shall be under the management of a board of
27 trustees herein described, and shall be known as "The Public
28 School Retirement System of Missouri". Such system shall, by and

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

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

1 appointed by the governor at the time each member's, who was
2 appointed by the state board of education, term expires.

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

10 4. Trustees appointed by the governor shall be residents of
11 school districts included in the retirement system, but not
12 employees of such districts or a state employee or a state
13 elected official. At least one trustee so appointed shall be a
14 retired member of the public school retirement system or the
15 public education employee retirement system. Three elected
16 trustees shall be members of the public school retirement system
17 and one elected trustee shall be a member of the public education
18 employee retirement system.

19 5. The elections of the trustees shall be arranged for,
20 managed and conducted by the board of trustees of the retirement
21 system.

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

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

28 8. Each trustee shall be commissioned by the governor, and

1 before entering upon the duties of the trustee's office, shall
2 take and subscribe to an oath or affirmation to support the
3 Constitution of the United States, and of the state of Missouri
4 and to demean himself or herself faithfully in the trustee's
5 office. Such oath as subscribed to shall be filed in the office
6 of secretary of state of this state.

7 9. Each trustee shall be entitled to one vote in the board
8 of trustees. Four votes shall be necessary for a decision by the
9 trustees at any meeting of the board of trustees. Unless
10 otherwise expressly provided herein, a meeting need not be called
11 or held to make any decision on a matter before the board. Each
12 member must be sent by the executive director a copy of the
13 matter to be decided with full information from the files of the
14 board of trustees. The unanimous decision of four trustees may
15 decide the issue by signing a document declaring their decision
16 and sending such written instrument to the executive director of
17 the board, provided that no other member of the board of trustees
18 shall send a dissenting decision to the executive director of the
19 board within fifteen days after such document and information was
20 mailed to the trustee. If any member is not in agreement with
21 four members the matter is to be passed on at a regular board
22 meeting or a special meeting called for the purpose.

23 10. The board of trustees shall elect one of their number
24 as chairman, and shall employ a full-time executive director, not
25 one of their number, who shall be the executive officer of the
26 board. Other employees of the board shall be chosen only upon
27 the recommendation of the executive director.

28 11. The board of trustees shall employ an actuary who shall

1 be its technical advisor on matters regarding the operation of
2 the retirement system, and shall perform such duties as are
3 essential in connection therewith, including the recommendation
4 for adoption by the board of mortality and other necessary
5 tables, and the recommendation of the level rate of contributions
6 required for operation of the system.

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

11 13. At least once in the three-year period following the
12 establishment of the retirement system, and in each five-year
13 period thereafter, the board of trustees shall cause to be made
14 an actuarial investigation into the mortality, service, and
15 compensation experience of the members and beneficiaries of the
16 system, and shall make any changes in the mortality, service, and
17 other tables then in use which the results of the investigation
18 show to be necessary.

19 14. Subject to the limitations of sections 169.010 to
20 169.141 and 169.600 to 169.715, the board of trustees shall
21 formulate and adopt rules and regulations for the government of
22 its own proceedings and for the administration of the retirement
23 system.

24 15. The board of trustees shall determine and decide all
25 questions of doubt as to what constitutes employment within the
26 meaning of sections 169.010 to 169.141 and 169.600 to 169.715,
27 the amount of benefits to be paid to members, retired members,
28 beneficiaries and survivors and the amount of contributions to be

1 paid by employer and employee. The executive director shall
2 notify by certified mail both employer and member, retired
3 member, beneficiary or survivor interested in such determination.
4 Any member, retired member, beneficiary or survivor, district or
5 employer adversely affected by such determination, at any time
6 within thirty days after being notified of such determination,
7 may appeal to the circuit court of Cole County. Such appeal
8 shall be tried and determined anew in the circuit court and such
9 court shall hear and consider any and all competent testimony
10 relative to the issues in the case, which may be offered by
11 either party thereto. The circuit court shall determine the
12 rights of the parties under sections 169.010 to 169.141 and
13 169.600 to 169.715 using the same standard provided in section
14 536.150, and the judgment or order of such circuit court shall be
15 binding upon the parties and the board shall carry out such
16 judgment or order unless an appeal is taken from such decision of
17 the circuit court. Appeals may be had from the circuit court by
18 the employer, member, retired member, beneficiary, survivor or
19 the board, in the manner provided by the civil code.

20 16. The board of trustees shall keep a record of all its
21 proceedings, which shall be open to public inspection. It shall
22 prepare annually a comprehensive annual financial report, the
23 financial section of which shall be prepared in accordance with
24 applicable accounting standards and shall include the independent
25 auditor's opinion letter. The report shall also include
26 information on the actuarial status and the investments of the
27 system. The reports shall be preserved by the executive director
28 and made available for public inspection.

1 17. The board of trustees shall provide for the maintenance
2 of an individual account with each member, setting forth such
3 data as may be necessary for a ready determination of the
4 member's earnings, contributions, and interest accumulations. It
5 shall also collect and keep in convenient form such data as shall
6 be necessary for the preparation of the required mortality and
7 service tables and for the compilation of such other information
8 as shall be required for the valuation of the system's assets and
9 liabilities. All individually identifiable information
10 pertaining to members, retirees, beneficiaries and survivors
11 shall be confidential.

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

17 19. The headquarters of the retirement system shall be in
18 Jefferson City, where suitable office space, utilities and other
19 services and equipment necessary for the operation of the system
20 shall be provided by the board of trustees and all costs shall be
21 paid from funds of the system. All suits or proceedings directly
22 or indirectly against the board of trustees, the board's members
23 or employees or the retirement system established by sections
24 169.010 to 169.141 or 169.600 to 169.715 shall be brought in Cole
25 County.

26 20. The board may appoint an attorney or firm of attorneys
27 to be the legal advisor to the board and to represent the board
28 in legal proceedings, however, if the board does not make such an

1 appointment, the attorney general shall be the legal advisor of
2 the board of trustees, and shall represent the board in all legal
3 proceedings.

4 21. The board of trustees shall arrange for adequate surety
5 bonds covering the executive director. When approved by the
6 board, such bonds shall be deposited in the office of the
7 secretary of state of this state.

8 22. The board shall arrange for annual audits of the
9 records and accounts of the system by a firm of certified public
10 accountants[, the state auditor shall review the audit of the
11 records and accounts of the system at least once every three
12 years and shall report the results to the board of trustees and
13 the governor].

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

19 208.1050. 1. There is hereby created in the state treasury
20 the "Missouri Senior Services Protection Fund", which shall
21 consist of money collected under subsection 2 of this section.
22 The state treasurer shall be custodian of the fund. In
23 accordance with sections 30.170 and 30.180, the state treasurer
24 may approve disbursements. The fund shall be a dedicated fund
25 and, upon appropriation, money in the fund shall be used solely
26 for the administration of subsection 2 of this section.
27 Notwithstanding the provisions of section 33.080 to the contrary,
28 any moneys remaining in the fund at the end of the biennium shall

1 not revert to the credit of the general revenue fund. The state
2 treasurer shall invest moneys in the fund in the same manner as
3 other funds are invested. Any interest and moneys earned on such
4 investments shall be credited to the fund.

5 2. The state treasurer shall deposit from moneys that
6 otherwise would have been deposited into the general revenue fund
7 an amount equal to fifty-five million one hundred thousand
8 dollars into the Missouri senior services protection fund. At
9 least one-quarter of such amount shall be deposited on or before
10 July 15, 2013, an additional one-quarter by October 15, 2013, and
11 an additional one-quarter by January 15, 2014. The remaining
12 amount shall be deposited by March 15, 2014. Moneys in the fund
13 shall be allocated for services for low-income seniors and people
14 with disabilities.

15 238.272. The state auditor [shall] may audit each district
16 not [less] more than once every three years[, and may audit more
17 frequently if the state auditor deems appropriate]. The costs of
18 this audit shall be paid by the district and shall not exceed the
19 greater of three percent of the gross revenues received by the
20 transportation district or three percent of the expenditures made
21 by the transportation district.

22 [29.090. It shall be unlawful for any examiner
23 appointed under the provisions of this chapter to
24 accept, receive or ride on any free transportation
25 while engaged on official business, and any officer who
26 shall request such free transportation for any such
27 examiner shall be guilty of a misdemeanor, and
28 punishable by a fine not to exceed five hundred
29 dollars.]

30
31 [29.180. The state auditor in cooperation with
32 the budget director shall establish appropriate systems
33 of accounting for all officers and agencies of the
34 state, including all educational and eleemosynary

1 institutions, and he shall also prescribe systems of
2 accounting for all county officers. Such systems of
3 accounting shall conform to recognized principles of
4 governmental accounting and shall be uniform in
5 application to offices of the same grade and kind and
6 to accounts of the same kind. Such systems of
7 accounting shall be adequate to record all assets and
8 revenues accrued, all liabilities and expenditures
9 incurred, as well as all cash receipts and
10 disbursements, and all transactions affecting the
11 acquisition and disposition of property, including the
12 preparation and keeping of inventories of all property.
13 Each department shall keep such accounts in accordance
14 with the system of accounts prescribed by the auditor.]
15

16 [29.270. The state auditor shall report to the
17 governor as soon as possible the result of his findings
18 from an examination of the state institutions, and
19 report to the elective officers the result of his
20 findings from an examination of their appointive
21 officers, setting out in detail the findings as to the
22 collection and disbursements of public funds and the
23 mode of bookkeeping and accounting in force in such
24 institution, and as soon as possible after the
25 completion of the examination of a county's officers
26 and institutions, he shall report in writing the
27 findings to the county court or prosecuting attorney or
28 proper officer thereof, setting out in detail the
29 results as to the collection and disbursement of county
30 funds and the mode of bookkeeping and accounting in use
31 and such recommendations as may be proper. All audit
32 reports and reports of examinations made by the state
33 auditor shall be made a matter of public record. The
34 state auditor shall report to each general assembly his
35 findings and recommendations resulting from audits and
36 examinations of the various state officials and
37 institutions made by him in accordance with law.]
38

39 [29.275. Before the state auditor performs a duty
40 or service required by law for which a fee is charged,
41 the person requiring the service shall produce to the
42 state auditor the receipt of the state director of
43 revenue showing that the fee has been paid to him.]
44

45 [29.340. Any state or county official affected by
46 this chapter who shall refuse or fail to comply with
47 the provisions of this chapter shall be deemed guilty
48 of a misdemeanor.]

49 Section B. Because immediate action is necessary to protect

1 low-income seniors and disabled persons, the enactment of section
2 208.1050 of this act is deemed necessary for the immediate
3 preservation of the public health, welfare, peace and safety, and
4 is hereby declared to be an emergency act within the meaning of
5 the constitution, and the enactment of section 208.1050 of this
6 act shall be in full force and effect upon its passage and
7 approval.