

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 270
98TH GENERAL ASSEMBLY

1396H.04C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 86.200, 86.213, 86.237, 86.250, 86.251, 86.257, 86.263, 86.270, 86.320, 169.141, 169.291, 169.324, 169.450, 169.560, and 169.715, RSMo, and to enact in lieu thereof fifteen new sections relating to public retirement systems.

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

Section A. Sections 86.200, 86.213, 86.237, 86.250, 86.251, 86.257, 86.263, 86.270, 2 86.320, 169.141, 169.291, 169.324, 169.450, 169.560, and 169.715, RSMo, are repealed and 3 fifteen new sections enacted in lieu thereof, to be known as sections 86.200, 86.213, 86.237, 4 86.250, 86.251, 86.257, 86.263, 86.270, 86.320, 169.141, 169.291, 169.324, 169.450, 169.560, 5 and 169.715, to read as follows:

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

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

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

8 (3) "Average final compensation":

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

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

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

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

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

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

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

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

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

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

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

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

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

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

73 (b) December 31, 1995;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

46 (a) A lump sum payment; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

 169.141. 1. Any person receiving a retirement allowance under sections 169.010 to
2 169.140, and who elected a reduced retirement allowance under subsection 3 of section 169.070
3 with his spouse as the nominated beneficiary, may nominate a successor beneficiary under either
4 of the following circumstances:

5 (1) If the nominated beneficiary precedes the retired person in death, the retired person
6 may, upon remarriage, nominate the new spouse under the same option elected in the application
7 for retirement;

8 (2) If the marriage of the retired person and the nominated beneficiary is dissolved, and
9 if the dissolution decree provides for sole retention by the retired person of all rights in the
10 retirement allowance, the retired person may, upon remarriage, nominate the new spouse under
11 the same option elected in the application for retirement.

12 2. Any nomination of a successor beneficiary under subdivision (1) or (2) of subsection
13 1 of this section must be made in accordance with procedures established by the board of
14 trustees, and must be filed within ninety days of May 6, 1993, or within [ninety days] **one year**
15 of the remarriage, whichever later occurs. Upon receipt of a successor nomination filed in
16 accordance with those procedures, the board shall adjust the retirement allowance to reflect
17 actuarial considerations of that nomination as well as previous beneficiary and successor
18 beneficiary nominations.

19 **3. Any person receiving a retirement allowance under sections 169.010 to 169.140,**
20 **and who elected a reduced retirement allowance under subsection 3 of section 169.070 with**
21 **his or her spouse as the nominated beneficiary may have the retirement allowance**
22 **increased to the amount the retired member would be receiving had the retired member**
23 **elected option 1 if:**

24 **(1) The marriage of the retired person and the nominated spouse is dissolved on or**
25 **after September 1, 2015;**

26 **(2) If the dissolution decree provides for sole retention by the retired person of all**
27 **rights in the retirement allowance; and**

28 **(3) The person would have received a reduced retirement allowance under**
29 **subsection 3 of section 169.070.**

30

31 **Any such increase in the retirement allowance shall be effective upon the receipt of an**
32 **application for such increase and a certified copy of the decree of dissolution that meets the**
33 **requirements of this section.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

61 **certification of teachers in Missouri if such person was employed by the district. The**
62 **retirement system may require the district, the third-party employer, the independent**
63 **contractor, and the retiree subject to this subsection to provide documentation showing**
64 **compliance with this subsection. If such documentation is not provided, the retirement**
65 **system may deem the retiree to have exceeded the limitations provided in this subsection.**

66 If a retirant is reemployed by any employer in any capacity, whether pursuant to this section, or
67 section 169.331, 169.580, or 169.585, or as a regular employee, the amount of such person's
68 retirement allowance attributable to service prior to the person's first retirement date shall not be
69 changed by the reemployment. If the person again becomes an active member and earns
70 additional creditable service, upon the person's second retirement the person's retirement
71 allowance shall be the sum of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

169.560. Any person retired and currently receiving a retirement allowance pursuant to
2 sections 169.010 to 169.141, other than for disability, may be employed in any capacity in a
3 district included in the retirement system created by those sections on either a part-time or
4 temporary-substitute basis not to exceed a total of five hundred fifty hours in any one school
5 year, and through such employment may earn up to fifty percent of the annual compensation
6 payable under the [employing] district's salary schedule for the position or positions filled by the
7 retiree, given such person's level of experience and education, without a discontinuance of the
8 person's retirement allowance. If the [employing] school district does not utilize a salary
9 schedule, or if the position in question is not subject to the [employing] district's salary schedule,
10 a retiree employed in accordance with the provisions of this section may earn up to fifty percent
11 of the annual compensation paid to the person or persons who last held such position or
12 positions. If the position or positions did not previously exist, the compensation limit shall be
13 determined in accordance with rules duly adopted by the board of trustees of the retirement
14 system; provided that, it shall not exceed fifty percent of the annual compensation payable for
15 the position in the [employing] school district that is most comparable to the position filled by
16 the retiree. In any case where a retiree fills more than one position during the school year, the
17 fifty-percent limit on permitted earning shall be based solely on the annual compensation of the
18 highest paid position occupied by the retiree for at least one-fifth of the total hours worked
19 during the year. Such a person shall not contribute to the retirement system or to the public
20 education employee retirement system established by sections 169.600 to 169.715 because of
21 earnings during such period of employment. If such a person is employed in any capacity by such
22 a district [on a regular, full-time basis,] **in excess of the limitations set forth in this section, the**

23 person shall not be eligible to receive the person's retirement allowance for any month during
24 which the person is so employed. **In addition, such person [and] shall contribute to the**
25 **retirement system, if the person satisfies the retirement system's membership eligibility**
26 **requirements. In addition to the conditions set forth above, this section shall apply to any**
27 **person retired and currently receiving a retirement allowance under sections 169.010 to**
28 **169.141, other than for disability, who is employed by a third party or is performing work**
29 **as an independent contractor if such person is performing work in a district included in**
30 **the retirement system as a temporary or long-term substitute teacher or in any other**
31 **position that would normally require that person to be duly certificated under the laws**
32 **governing the certification of teachers in Missouri if such person was employed by the**
33 **district. The retirement system may require the district, the third-party employer, the**
34 **independent contractor, and the retiree subject to this section to provide documentation**
35 **showing compliance with this section. If such documentation is not provided, the**
36 **retirement system may deem the retiree to have exceeded the limitations provided in this**
37 **section.**

169.715. 1. Any person receiving a retirement allowance under sections 169.600 to
2 169.712, and who elected a reduced retirement allowance under subsection 4 of section 169.670
3 with his spouse as the nominated beneficiary, may nominate a successor beneficiary under either
4 of the following circumstances:

5 (1) If the nominated beneficiary precedes the retired person in death, the retired person
6 may, upon remarriage, nominate the new spouse under the same option elected in the application
7 for retirement;

8 (2) If the marriage of the retired person and the nominated beneficiary is dissolved, and
9 if the dissolution decree provides for sole retention by the retired person of all rights in the
10 retirement allowance, the retired person may, upon remarriage, nominate the new spouse under
11 the same option elected in the application for retirement.

12 2. Any nomination of a successor beneficiary under subdivision (1) or (2) of subsection
13 1 of this section must be made in accordance with procedures established by the board of
14 trustees, and must be filed within ninety days of May 6, 1993, or within [ninety days] **one year**
15 of the remarriage, whichever later occurs. Upon receipt of a successor nomination filed in
16 accordance with those procedures, the board shall adjust the retirement allowance to reflect
17 actuarial considerations of that nomination as well as previous beneficiary and successor
18 beneficiary nominations.

19 **3. Any person receiving a retirement allowance under sections 169.600 to 169.715,**
20 **and who elected a reduced retirement allowance under subsection 3 of section 169.670 with**
21 **his or her spouse as the nominated beneficiary may have the retirement allowance**

22 **increased to the amount the retired member would be receiving had the retired member**
23 **elected option 1 if:**

24 **(1) The marriage of the retired person and the nominated spouse is dissolved on or**
25 **after September 1, 2015;**

26 **(2) If the dissolution decree provides for sole retention by the retired person of all**
27 **rights in the retirement allowance; and**

28 **(3) The person would have received a reduced retirement allowance under**
29 **subsection 4 of section 169.670.**

30

31 **Any such increase in the retirement allowance shall be effective upon the receipt of an**
32 **application for such increase and a certified copy of the decree of dissolution that meets the**
33 **requirements of this section.**

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