

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 1329

99TH GENERAL ASSEMBLY

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Reported from the Committee on Health and Pensions, April 5, 2018, with recommendation that the Senate Committee Substitute do pass.

4966S.02C

ADRIANE D. CROUSE, Secretary.

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## AN ACT

To repeal sections 169.291, 169.324, 169.350, 169.360, and 169.370, RSMo, and to enact in lieu thereof seven new sections relating to retirement benefits for public employees.

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

Section A. Sections 169.291, 169.324, 169.350, 169.360, and 169.370, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 70.227, 169.291, 169.324, 169.350, 169.360, 169.370, and 278.157, to read as follows:

**70.227. 1. For purposes of this section, the following terms mean:**

**(1) "Local units", the same meaning given to the term under section 251.160;**

**(2) "Transportation planning boundary", the same meaning given to the term under section 251.160.**

**2. Notwithstanding the provisions of sections 70.600 to 70.755 to the contrary, a metropolitan planning organization organized under 23 U.S.C. Section 134 and designated by the governor shall be considered a political subdivision for the purposes of sections 70.600 to 70.755, and employees of such metropolitan planning organization shall be eligible for membership in the Missouri local government employees' retirement system upon the metropolitan planning organization becoming an employer, as defined in subdivision (11) of section 70.600.**

**3. Upon receipt of certified copies of resolutions recommending the dissolution of a metropolitan planning organization adopted by the**

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

16 governing bodies of a majority of the local units within the  
17 transportation planning boundary served by the metropolitan planning  
18 organization, and upon a finding that all outstanding indebtedness of  
19 the metropolitan planning organization has been paid, including  
20 moneys owed to any retirement plan or system in which the  
21 organization participates and has pledged to pay for the unfunded  
22 accrued liability of its past and current employees, and all unexpended  
23 funds returned to the local units that supplied them or adequate  
24 provision made for the funds, the governor shall issue a certificate of  
25 dissolution of the organization, which shall thereupon cease to exist. If  
26 such organization was formally incorporated as a Missouri nonprofit  
27 corporation, the secretary of state shall issue such certificate of  
28 dissolution.

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

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

9 (2) Four trustees to be elected for terms of four years by and from the  
10 members of the retirement system; provided, however, that the terms of office of  
11 the first four trustees so elected shall begin immediately upon their election and  
12 shall expire one, two, three and four years from the date the retirement system  
13 becomes operative, respectively;

14 (3) The ninth trustee shall be the superintendent of schools of the school  
15 district;

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

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

22 (6) The twelfth trustee shall be a retirant of the retirement system elected  
23 for a term of four years beginning the first day of January immediately following

24 August 28, 1992, by the retirants of the retirement system.

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

33           3. In the event of a lapse of the school district's corporate organization as  
34 described in subsections 1 and 4 of section 162.081, the general administration  
35 and responsibility for the proper operation of the retirement system shall  
36 continue to be vested in a twelve-person board of trustees, all of whom shall be  
37 resident taxpayers of a city, other than a city not within a county, of four hundred  
38 thousand or more. In such event, if vacancies occur in the offices of the four  
39 trustees appointed, prior to the lapse, by the board of education, or in the offices  
40 of the four trustees elected, prior to the lapse, by the members of the retirement  
41 system, or in the office of trustee held, prior to the lapse, by the superintendent  
42 of schools in the school district, as provided in subdivisions (1), (2) and (3) of  
43 subsection 1 of this section, the board of trustees shall appoint a qualified person  
44 to fill each vacancy and subsequent vacancies in the office of trustee for terms of  
45 up to four years, as determined by the board of trustees.

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

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

60 in subsections 1 and 4 of section 162.081, a majority of the trustees then in office  
61 shall constitute a quorum at any meeting of the board of trustees, and the vote  
62 of a majority of the trustees then in office in support of a motion, resolution or  
63 other matter shall be necessary to be the decision of the board.

64           6. The board of trustees shall have exclusive original jurisdiction in all  
65 matters relating to or affecting the funds herein provided for, including, in  
66 addition to all other matters, all claims for benefits or refunds, and its action,  
67 decision or determination in any matter shall be reviewable in accordance with  
68 chapter 536 or chapter 621. Subject to the limitations of sections 169.270 to  
69 169.400, the board of trustees shall, from time to time, establish rules and  
70 regulations for the administration of funds of the retirement system, for the  
71 transaction of its business, and for the limitation of the time within which claims  
72 may be filed.

73           7. The trustees shall serve without compensation. The board of trustees  
74 shall elect from its membership a chairman and a vice chairman. The board of  
75 trustees shall appoint an executive director who shall serve as the administrative  
76 officer of the retirement system and as secretary to the board of trustees. It shall  
77 employ one or more persons, firms or corporations experienced in the investment  
78 of moneys to serve as investment counsel to the board of trustees. The  
79 compensation of all persons engaged by the board of trustees and all other  
80 expenses of the board necessary for the operation of the retirement system shall  
81 be paid at such rates and in such amounts as the board of trustees shall approve,  
82 and shall be paid from the investment income.

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

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

94           10. The board of trustees shall have, in its own name, power to sue and  
95 to be sued, to enter into contracts, to own property, real and personal, and to

96 convey the same; but the members of such board of trustees shall not be  
97 personally liable for obligations or liabilities of the board of trustees or of the  
98 retirement system.

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

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

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

114           14. At least once in each five-year period the actuary shall make an  
115 investigation into the actuarial experience of the members, retirants and  
116 beneficiaries of the retirement system and, taking into account the results of such  
117 investigation, the board of trustees shall adopt for the retirement system such  
118 actuarial assumptions as the board of trustees deems necessary for the financial  
119 soundness of the retirement system.

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

123           16. The rate of contribution payable by the employers shall equal one and  
124 ninety-nine one-hundredths percent, effective July 1, 1993; three and ninety-nine  
125 one-hundredths percent, effective July 1, 1995; five and ninety-nine one-  
126 hundredths percent, effective July 1, 1996; seven and one-half percent effective  
127 January 1, 1999, and for subsequent calendar years through 2013. For calendar  
128 year 2014 and each subsequent year, the rate of contribution payable by the  
129 employers for each year shall be determined [by the actuary for the retirement  
130 system in the manner] as provided in [subsection] **subsections 4 and 6** of  
131 section 169.350 and shall be certified by the board of trustees to the employers

132 at least six months prior to the date such rate is to be effective.

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

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

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

11           (2) A retirant whose number of years of creditable service is greater than  
12 thirty-four and one-quarter on August 28, 1993, shall receive an annual service  
13 retirement allowance payable pursuant to section 169.320 in equal monthly  
14 installments for life equal to the retirant's number of years of creditable service  
15 as of August 28, 1993, multiplied by one and three-fourths percent of the person's  
16 average final compensation but shall not receive a greater annual service  
17 retirement allowance based on additional years of creditable service after August  
18 28, 1993;

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

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

31 pursuant to section 169.320 in equal monthly installments for life equal to the  
32 retirant's number of years of creditable service multiplied by one and three-  
33 fourths percent of the person's average final compensation, subject to a maximum  
34 of sixty percent of the person's average final compensation;

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

49 2. Except as otherwise provided in sections 169.331 and 169.585, payment  
50 of a retirant's retirement allowance will be suspended for any month for which  
51 such person receives remuneration from the person's employer or from any other  
52 employer in the retirement system established by section 169.280 for the  
53 performance of services except any such person other than a person receiving a  
54 disability retirement allowance under section 169.322 may serve as a nonregular  
55 substitute, part-time or temporary employee for not more than six hundred hours  
56 in any school year without becoming a member and without having the person's  
57 retirement allowance discontinued, provided that through such substitute, part-  
58 time, or temporary employment, the person may earn no more than fifty percent  
59 of the annual salary or wages the person was last paid by the employer before the  
60 person retired and commenced receiving a retirement allowance, adjusted for  
61 inflation. If a person exceeds such hours limit or such compensation limit,  
62 payment of the person's retirement allowance shall be suspended for the month  
63 in which such limit was exceeded and each subsequent month in the school year  
64 for which the person receives remuneration from any employer in the retirement  
65 system. In addition to the conditions set forth above, the restrictions of this  
66 subsection shall also apply to any person retired and currently receiving a

67 retirement allowance under sections 169.270 to 169.400, other than for disability,  
68 who is employed by a third party or is performing work as an independent  
69 contractor if the services performed by such person are provided to or for the  
70 benefit of any employer in the retirement system established under section  
71 169.280. The retirement system may require the employer receiving such  
72 services, the third-party employer, the independent contractor, and the retirant  
73 subject to this subsection to provide documentation showing compliance with this  
74 subsection. If such documentation is not provided, the retirement system may  
75 deem the retirant to have exceeded the limitations provided for in this subsection.  
76 If a retirant is reemployed by any employer in any capacity, whether pursuant to  
77 this section, or section 169.331 or 169.585, or as a regular employee, the amount  
78 of such person's retirement allowance attributable to service prior to the person's  
79 first retirement date shall not be changed by the reemployment. If the person  
80 again becomes an active member and earns additional creditable service, upon the  
81 person's second retirement the person's retirement allowance shall be the sum of:

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

88 (2) An additional retirement allowance computed using the benefit  
89 formula in effect on the person's second retirement date, the person's creditable  
90 service following reemployment, and the person's average final annual  
91 compensation as of the second retirement date.

92 The sum calculated pursuant to this subsection shall not exceed the greater of  
93 sixty percent of the person's average final compensation as of the second  
94 retirement date or the amount determined pursuant to subdivision (1) of this  
95 subsection. Compensation earned prior to the person's first retirement date shall  
96 be considered in determining the person's average final compensation as of the  
97 second retirement date if such compensation would otherwise be included in  
98 determining the person's average final compensation.

99 3. The board of trustees shall determine annually whether the investment  
100 return on funds of the system can provide for an increase in benefits for retirants  
101 eligible for such increase. A retirant shall and will be eligible for an increase  
102 awarded pursuant to this section as of the second January following the date the



103 retirant commenced receiving retirement benefits. Any such increase shall also  
104 apply to any monthly joint and survivor retirement allowance payable to such  
105 retirant's beneficiaries, regardless of age. The board shall make such  
106 determination as follows:

107 (1) After determination by the actuary of the investment return for the  
108 preceding year as of December thirty-first (the "valuation year"), the actuary shall  
109 recommend to the board of trustees what portion of the investment return is  
110 available to provide such benefits increase, if any, and shall recommend the  
111 amount of such benefits increase, if any, to be implemented as of the first day of  
112 the thirteenth month following the end of the valuation year, and first payable  
113 on or about the first day of the fourteenth month following the end of the  
114 valuation year. The actuary shall make such recommendations so as not to affect  
115 the financial soundness of the retirement system, recognizing the following  
116 safeguards:

117 (a) The retirement system's funded ratio as of January first of the year  
118 preceding the year of a proposed increase shall be at least one hundred percent  
119 **[after] before** adjusting for the effect of the proposed increase. The funded ratio  
120 is the ratio of assets to the pension benefit obligation;

121 (b) The actuarially required contribution rate, **[after] before** adjusting  
122 for the effect of the proposed increase, may not exceed the then applicable  
123 employer and member contribution rate as determined under **[subsection]**  
124 **subsections 4, 5, and 6** of section 169.350;

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

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

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

132 4. This section does not guarantee an annual increase to any retirant.

133 5. If an inactive member becomes an active member after June 30, 2001,  
134 and after a break in service, unless the person earns at least four additional  
135 years of creditable service without another break in service, upon retirement the  
136 person's retirement allowance shall be calculated separately for each separate  
137 period of service ending in a break in service. The retirement allowance shall be  
138 the sum of the separate retirement allowances computed for each such period of

139 service using the benefit formula in effect, the person's average final  
140 compensation as of the last day of such period of service and the creditable  
141 service the person earned during such period of service; provided, however, if the  
142 person earns at least four additional years of creditable service without another  
143 break in service, all of the person's creditable service prior to and including such  
144 service shall be aggregated and, upon retirement, the retirement allowance shall  
145 be computed using the benefit formula in effect and the person's average final  
146 compensation as of the last day of such period of four or more years and all of the  
147 creditable service the person earned prior to and during such period.

148           6. Notwithstanding anything contained in this section to the contrary, the  
149 amount of the annual service retirement allowance payable to any retirant  
150 pursuant to the provisions of sections 169.270 to 169.400, including any  
151 adjustments made pursuant to subsection 3 of this section, shall at all times  
152 comply with the provisions and limitations of Section 415 of the Internal Revenue  
153 Code of 1986, as amended, and the regulations thereunder, the terms of which are  
154 specifically incorporated herein by reference.

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

169.350. 1. All of the assets of the retirement system (other than tangible  
2 real or personal property owned by the retirement system for use in carrying out  
3 its duties, such as office supplies and furniture) shall be credited, according to the  
4 purpose for which they are held, in either the employees' contribution fund or the  
5 general reserve fund.

6           (1) The employees' contribution fund shall be the fund in which shall be  
7 accumulated the contributions of the members. The employer shall, except as  
8 provided in subdivision (5) of this subsection, cause to be deducted from the  
9 compensation of each member on each and every payroll, for each and every  
10 payroll period, the pro rata portion of five and nine-tenths percent of his  
11 annualized compensation. Effective January 1, 1999, through December 31, 2013,  
12 the employer shall deduct an additional one and six-tenths percent of the  
13 member's annualized compensation. For 2014 and for each subsequent year, the  
14 employer shall deduct from each member's annualized compensation the rate of  
15 contribution determined for such year [by the actuary for the retirement system

16 in the manner] as provided in [subsection] **subsections 4, 5, and 6** of this  
17 section.

18 (2) The employer shall pay all such deductions and any amount it may  
19 elect to pay pursuant to subdivision (5) of this subsection to the retirement  
20 system at once. The retirement system shall credit such deductions and such  
21 amounts to the individual account of each member from whose compensation the  
22 deduction was made or with respect to whose compensation the amount was paid  
23 pursuant to subdivision (5) of this subsection. In determining the deduction for  
24 a member in any payroll period, the board of trustees may consider the rate of  
25 compensation payable to such member on the first day of the payroll period as  
26 continuing throughout such period.

27 (3) The deductions provided for herein are declared to be a part of the  
28 compensation of the member and the making of such deductions shall constitute  
29 payments by the member out of the person's compensation and such deductions  
30 shall be made notwithstanding that the amount actually paid to the member after  
31 such deductions is less than the minimum compensation provided by law for any  
32 member. Every member shall be deemed to consent to the deductions made and  
33 provided for herein, and shall receipt for the person's full compensation, and the  
34 making of the deduction and the payment of compensation less the deduction  
35 shall be a full and complete discharge and acquittance of all claims and demands  
36 whatsoever for services rendered during the period covered by the payment except  
37 as to benefits provided by sections 169.270 to 169.400.

38 (4) The accumulated contributions with interest of a member withdrawn  
39 by the person or paid to the person's estate or designated beneficiary in the event  
40 of the person's death before retirement shall be paid from the employees'  
41 contribution fund. Upon retirement of a member the member's accumulated  
42 contributions with interest shall be transferred from the employees' contribution  
43 fund to the general reserve fund.

44 (5) The employer may elect to pay on behalf of all members all or part of  
45 the amount that the members would otherwise be required to contribute to the  
46 employees' contribution fund pursuant to subdivision (1) of this subsection. Such  
47 amounts paid by the employer shall be in lieu of members' contributions and shall  
48 be treated for all purposes of sections 169.270 to 169.400 as contributions made  
49 by members. Notwithstanding any other provision of this chapter to the contrary,  
50 no member shall be entitled to receive such amounts directly. The election shall  
51 be made by a duly adopted resolution of the employer's board and shall remain

52 in effect for at least one year from the effective date thereof. The election may  
53 be thereafter terminated only by an affirmative act of the employer's board  
54 notwithstanding any limitation in the term thereof in the adopting  
55 resolution. Any such termination resolution shall be adopted at least sixty days  
56 prior to the effective date thereof, and the effective date thereof shall coincide  
57 with a fiscal year-end of the employer. In the absence of such a termination  
58 resolution, the election shall remain in effect from fiscal year to fiscal year.

59         2. The general reserve fund shall be the fund in which shall be  
60 accumulated all reserves for the payment of all benefit expenses and other  
61 demands whatsoever upon the retirement system except those items heretofore  
62 allocated to the employees' contribution fund.

63         (1) All contributions by the employer, except those the employer elects to  
64 make on behalf of the members pursuant to subdivision (5) of subsection 1 of this  
65 section, shall be credited to the general reserve fund.

66         (2) Should a retirant be restored to active service and again become a  
67 member of the retirement system, the excess, if any, of the person's accumulated  
68 contributions over benefits received by the retirant shall be transferred from the  
69 general reserve fund to the employees' contribution fund and credited to the  
70 person's account.

71         3. Gifts, devises, bequests and legacies may be accepted by the board of  
72 trustees and deposited in the general reserve fund to be held, invested and used  
73 at its discretion for the benefit of the retirement system except where specific  
74 direction for the use of a gift is made by a donor.

75         4. Beginning in 2013, the actuary for the retirement system shall  
76 annually calculate the rate of employer contributions and member contributions  
77 for 2014 and for each subsequent calendar year **through 2018**, expressed as a  
78 level percentage of the annualized compensation of the members, subject to the  
79 following:

80         (1) The rate of contribution for any calendar year shall be determined  
81 based on an actuarial valuation of the retirement system as of the first day of the  
82 prior calendar year. Such actuarial valuation shall be performed using the  
83 actuarial cost method and actuarial assumptions adopted by the board of trustees  
84 and in accordance with accepted actuarial standards of practice in effect at the  
85 time the valuation is performed, as promulgated by the actuarial standards board  
86 or its successor;

87         (2) The target combined employer and member contribution rate shall be

88 the amount actuarially required to cover the normal cost and amortize any  
89 unfunded accrued actuarial liability over a period that shall not exceed thirty  
90 years from the date of the valuation;

91 (3) The target combined rate as so determined shall be allocated equally  
92 between the employer contribution rate and the member contribution rate,  
93 provided, however, that the level rate of contributions to be paid by the employers  
94 and the level rate of contributions to be deducted from the compensation of  
95 members for any calendar year shall each be limited as follows:

96 (a) The contribution rate shall not be less than seven and one-half  
97 percent;

98 (b) The contribution rate shall not exceed nine percent; and

99 (c) Changes in the contribution rate from year to year shall be in  
100 increments of one-half percent such that the contribution rate for any year shall  
101 not be greater than or less than the rate in effect for the prior year by more than  
102 one-half percent;

103 (4) The board of trustees shall certify to the employers the contribution  
104 rate for the following calendar year no later than six months prior to the date  
105 such rate is to be effective.

106 **5. The member contribution rate for 2019 and subsequent periods**  
107 **shall be nine percent of compensation unless a lower member**  
108 **contribution rate applies for any period beginning on or after July 1,**  
109 **2021, in accordance with the provisions of subdivision (4) of subsection**  
110 **6 of this section.**

111 **6. The employer contribution rate for calendar year 2019 shall**  
112 **be ten and one-half percent. The employer contribution rate for the**  
113 **eighteen-month period beginning January 1, 2020, through June 30,**  
114 **2021, shall be twelve percent. For the twelve-month period beginning**  
115 **July 1, 2021, and for each subsequent twelve-month period beginning**  
116 **July first each year, the employer contribution rate shall be determined**  
117 **as follows:**

118 (1) The actuary shall determine the total actuarially required  
119 contribution based on an actuarial valuation of the retirement system  
120 as of the first day of the preceding calendar year. Such actuarial  
121 valuation shall be performed using the actuarial cost method and  
122 actuarial assumptions adopted by the board of trustees and in  
123 accordance with actuarial standards of practice applicable as of the

124 valuation date. The total actuarially required contribution rate,  
125 including both employer and member contributions, shall be an amount  
126 determined in accordance with the board's current funding policy,  
127 expressed as a level percentage of the annualized compensation of the  
128 members;

129       (2) If the retirement system's funded ratio as of the first day of  
130 the preceding calendar year is below one hundred percent, the  
131 employer contribution rate shall be the greater of twelve percent or the  
132 difference between the total actuarially required contribution rate and  
133 the nine percent member contribution rate, subject to the limits on  
134 annual adjustments stated in subdivision (6) of this subsection;

135       (3) If the retirement system's funded ratio as of the first day of  
136 the preceding calendar year equals or exceeds one hundred percent  
137 and the total actuarially required contribution rate exceeds eighteen  
138 percent, the employer contribution rate shall be the difference between  
139 the total actuarially required contribution rate and the nine percent  
140 member contribution rate, subject to the limits on annual adjustments  
141 stated in subdivision (6) of this subsection;

142       (4) If the retirement system's funded ratio as of the first day of  
143 the preceding calendar year equals or exceeds one hundred percent  
144 and the total actuarially required contribution rate does not exceed  
145 eighteen percent, the total actuarially required contribution rate shall  
146 be allocated equally between the employer contribution rate and the  
147 member contribution rate. If the total actuarially required  
148 contribution rate falls below eighteen percent after being above  
149 eighteen percent for the preceding twelve-month period, the member  
150 contribution rate and the employer contribution rate shall be adjusted  
151 to one-half of the total actuarially required contribution rate for such  
152 period, regardless of the magnitude of the decrease from the rate in  
153 effect for the prior period, in order to equalize the employer and  
154 member contribution rates. Otherwise, adjustments in the contribution  
155 rates shall be limited by the annual adjustment limits stated in  
156 subdivision (6) of this subsection;

157       (5) If the retirement system's funded ratio as of the first day of  
158 the preceding calendar year again falls below one hundred percent, or  
159 if the total actuarially required contribution rate rises above eighteen  
160 percent, the provisions of subdivision (2) or (3) of this subsection shall

161 **apply, as applicable, subject to the limits on annual adjustments stated**  
162 **in subdivision (6) of this subsection;**

163 **(6) Except as stated in subdivision (4) of this subsection, in**  
164 **transitioning to the contribution rates prescribed in this subsection for**  
165 **periods beginning on or after July 1, 2021, the employer contribution**  
166 **rate and the member contribution rate, respectively, shall not increase**  
167 **by more than one percent or decrease by more than one-half percent**  
168 **for any period from the corresponding rate in effect immediately before**  
169 **such increase or decrease; and**

170 **(7) The board of trustees shall certify to the employers the**  
171 **contribution rate to be effective for July 1, 2021, and for each following**  
172 **July first, no later than six months prior to the date such rate is to be**  
173 **effective.**

169.360. 1. Before the first of July of each year, the board of trustees  
2 shall certify to each employer the amounts which will become due and payable  
3 from each during the school year next following to the general reserve fund. The  
4 amount so certified shall be appropriated by each employer's board by a  
5 resolution explicitly directing the appropriate officials to pay the same, not later  
6 than July twenty-fifth of each year and transferred to the retirement system on  
7 or before December thirty-first of the same year.

8 **2. Effective January 1, 2019, each employer shall transfer its**  
9 **employer contributions to the retirement system promptly following the**  
10 **end of each payroll period at the time the employer transfers member**  
11 **contributions.**

169.370. 1. Interest charges payable, the creation and maintenance of  
2 reserves in the general reserve fund and the payment of all retirement  
3 allowances, refunds and other benefits and expenses are hereby made obligations  
4 chargeable against the general reserve fund and not of the school district, and the  
5 moneys placed in the general reserve fund shall not be diverted or used for other  
6 purposes.

7 **2. No alteration, amendment or repeal of sections 169.270 to 169.400 shall**  
8 **be deemed to affect the rights of members of any retirement system established**  
9 **thereunder with reference to deposits previously made, or to reduce any accrued**  
10 **or potential benefits to those who are members at the time when such alterations,**  
11 **amendments, or repeal becomes effective or to reduce the amount of any**  
12 **retirement allowance then payable.**

13           **3. Notwithstanding the provisions of subsection 2 of this section**  
14 **to the contrary, the employee benefits provided to a member who first**  
15 **becomes an employee on or after August 28, 2018, covered under**  
16 **sections 169.270 to 169.400, and any other provision with regard to a**  
17 **member covered under those sections, may be altered, amended,**  
18 **increased, decreased, or repealed, but only with respect to services**  
19 **rendered by the member after the effective date of such alteration,**  
20 **amendment, increase, decrease, or repeal, or, with respect to interest**  
21 **credits, for periods of time after the effective date of such alteration,**  
22 **amendment, increase, decrease, or repeal.**

**278.157. 1. Notwithstanding the provisions of section 70.600 to**  
2 **the contrary, a soil and water conservation district organized under**  
3 **sections 278.060 to 278.155 shall be considered a political subdivision**  
4 **for the purposes of sections 70.600 to 70.755, and employees of such a**  
5 **soil and water conservation district shall be eligible for membership in**  
6 **the Missouri local government employees' retirement system upon the**  
7 **soil and water district becoming an "employer" as defined in**  
8 **subdivision (11) of section 70.600.**

9           **2. Prior to the soil and water commission declaring a soil and**  
10 **water conservation district disestablished under section 278.150, the**  
11 **soil and water commission shall make a determination that all**  
12 **outstanding indebtedness of the soil and water conservation district**  
13 **has been paid, including moneys owed to any retirement plan or system**  
14 **in which the soil and water conservation district participates and has**  
15 **pledged to pay for the unfunded accrued liability of past and current**  
16 **employees.**

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