

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 1572
103RD GENERAL ASSEMBLY

6641H.02C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 86.213, 104.200, 104.490, 104.1060, 104.1091, 104.1092, and 169.450, RSMo, and to enact in lieu thereof eight new sections relating to public employee retirement systems.

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

Section A. Sections 86.213, 104.200, 104.490, 104.1060, 104.1091, 104.1092, and 169.450, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 86.213, 104.200, 104.490, 104.1060, 104.1091, 104.1092, 105.695, and 169.450, to read as follows:

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

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

(2) Two members to be appointed by the mayor of the city, **provided that, effective October 1, 2026, the mayor shall appoint one member to serve a term of one year and one member to serve a term of two years and thereafter, each appointee** to serve for a term of two years, except the mayor shall not appoint the police chief of the municipal police force or the city's director of public safety;

(3) Three members **who are actively commissioned officers of the municipal police force of any city not within a county** to be elected by ~~the~~ those members of the

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.

16 retirement system **who are actively commissioned officers of the municipal police force** of
17 ~~[the]~~ **any city not within a county** for a term of three years; provided, however, that the term
18 of office of the first three members so elected shall begin immediately upon their election and
19 one such member's term shall expire one year from the date the retirement system becomes
20 operative, another such member's term shall expire two years from the date the retirement
21 system becomes operative and the other such member's term shall expire three years from the
22 date the retirement system becomes operative; provided, further, that such members shall be
23 members of the system and hold office only while members of the system;

24 (4) Three members who shall be retired members of the retirement system to be
25 elected by ~~[the]~~ **those** retired members of the retirement system for a term of three years;
26 except that, the term of office of the first two members so elected shall begin immediately
27 upon their election and one such member's term shall expire two years from the date of
28 election and the other such member's term shall expire three years from the date of election.

29 2. Any member elected chairman of the board of trustees may serve without term
30 limitations.

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

35 **4. Members appointed by the mayor of the city pursuant to subdivision (2) of**
36 **subsection 1 of this section shall continue to serve until their successors have been**
37 **appointed.**

104.200. Should any error in any records result in any member or beneficiary
2 receiving more or less than he or she would have been entitled to receive had the records been
3 correct, the board shall correct such error, and, as far as practicable, **to recover any**
4 **overpayments, may accept single sum or installment repayments or** make future
5 payments in such a manner that the actuarial equivalent of the benefit to which such member
6 or beneficiary was entitled shall be paid~~[-, and to this end may recover any overpayments]~~
7 **until the overpayment is recovered in full.** In all cases in which such error has been made,
8 no such error shall be corrected unless the system discovers or is notified of such error within
9 ten years after the member's annuity starting date or the date of error, whichever occurs later.
10 In cases of fraud, any error discovered shall be corrected without concern for the amount of
11 time that has passed.

104.490. 1. Should any error result in any member or beneficiary receiving more or
2 less than he or she would have been entitled to receive had the error not occurred, the board
3 shall correct such error, and, as far as practicable, **to recover any overpayments, may accept**
4 **single sum or installment repayments or** make future payments in such a manner that the

5 actuarial equivalent of the benefit to which such member or beneficiary was entitled shall be
6 paid~~], and to this end may recover any overpayments]~~ **until the overpayment is recovered in**
7 **full.** In all cases in which such error has been made, no such error shall be corrected unless
8 the system discovers or is notified of such error within ten years after the member's annuity
9 starting date or the date of error, whichever occurs later. In cases of fraud, any error
10 discovered shall be corrected without concern to the amount of time that has passed.

11 2. A person who knowingly makes a false statement, or falsifies or permits to be
12 falsified a record of the system, in an attempt to defraud the system is subject to fine or
13 imprisonment pursuant to the Missouri revised statutes.

14 3. The board of trustees of the Missouri state employees' retirement system shall
15 cease paying benefits to any survivor or beneficiary who is charged with the intentional
16 killing of a member without legal excuse or justification. A survivor or beneficiary who is
17 convicted of such charge shall no longer be entitled to receive benefits. If the survivor or
18 beneficiary is not convicted of such charge, the board shall resume payment of benefits and
19 shall pay the survivor or beneficiary any benefits that were suspended pending resolution of
20 such charge.

104.1060. 1. Should any error result in any person receiving more or less than the
2 person would have been entitled to receive had the error not occurred, the board shall correct
3 such error, and, as far as practicable, **to recover any overpayments, may accept single sum**
4 **or installment repayments or** make future payments in such a manner that the actuarial
5 equivalent of the annuity to which such person was entitled shall be paid~~], and to this end may~~
6 ~~recover any overpayments]~~ **until the overpayment is recovered in full.** In all cases in which
7 such error has been made, no such error shall be corrected unless the system discovers or is
8 notified of such error within ten years after the member's annuity starting date or the date of
9 error, whichever occurs later. In cases of fraud, any error discovered shall be corrected
10 without concern to the amount of time that has passed.

11 2. A person who knowingly makes a false statement, or falsifies or permits to be
12 falsified a record of the system, in an attempt to defraud the system shall be subject to fine or
13 imprisonment under the Missouri revised statutes.

14 3. A board shall not pay an annuity to any survivor or beneficiary who is charged with
15 the intentional killing of a member, retiree or survivor without legal excuse or justification. A
16 survivor or beneficiary who is convicted of such charge shall no longer be entitled to receive
17 an annuity. If the survivor or beneficiary is not convicted of such charge, the board shall
18 resume annuity payments and shall pay the survivor or beneficiary any annuity payments that
19 were suspended pending resolution of such charge.

104.1091. 1. Notwithstanding any provision of the year 2000 plan to the contrary,
2 each person who first becomes an employee on or after January 1, 2011, shall be a member of
3 the year 2000 plan subject to the provisions of this section.

4 2. A member's normal retirement eligibility shall be as follows:

5 (1) The member's attainment of at least age sixty-seven and the completion of at least
6 ten years of credited service; or the member's attainment of at least age fifty-five with the sum
7 of the member's age and credited service equaling at least ninety; or, in the case of a member
8 who is serving as a uniformed member of the highway patrol and subject to the mandatory
9 retirement provisions of section 104.081, such member's attainment of at least age sixty or the
10 attainment of at least age fifty-five with ten years of credited service;

11 (2) For members of the general assembly, the member's attainment of at least age
12 sixty-two and the completion of at least three full biennial assemblies; or the member's
13 attainment of at least age fifty-five with the sum of the member's age and credited service
14 equaling at least ninety;

15 (3) For statewide elected officials, the official's attainment of at least age sixty-two
16 and the completion of at least four years of credited service; or the official's attainment of at
17 least age fifty-five with the sum of the official's age and credited service equaling at least
18 ninety.

19 3. A vested former member's normal retirement eligibility shall be based on the
20 attainment of at least age sixty-seven and the completion of at least ten years of credited
21 service.

22 4. A temporary annuity paid pursuant to subsection 4 of section 104.1024 shall be
23 payable if the member has attained at least age fifty-five with the sum of the member's age
24 and credited service equaling at least ninety; or in the case of a member who is serving as a
25 uniformed member of the highway patrol and subject to the mandatory retirement provisions
26 of section 104.081, the temporary annuity shall be payable if the member has attained at least
27 age sixty, or at least age fifty-five with ten years of credited service.

28 5. A member, other than a member who is serving as a uniformed member of the
29 highway patrol and subject to the mandatory retirement provisions of section 104.081, shall
30 be eligible for an early retirement annuity upon the attainment of at least age sixty-two and
31 the completion of at least ten years of credited service. A vested former member who
32 terminated employment prior to the attainment of early retirement eligibility shall not be
33 eligible for early retirement.

34 6. The provisions of subsection 6 of section 104.1021 and section 104.344 as applied
35 pursuant to subsection 7 of section 104.1021 and section 104.1090 shall not apply to members
36 covered by this section.

37 7. The minimum credited service requirements of five years contained in sections
38 104.1018, 104.1030, 104.1036, and 104.1051 shall be ten years for members covered by this
39 section. The normal and early retirement eligibility requirements in this section shall apply
40 for purposes of administering section 104.1087.

41 8. A member shall be required to contribute four percent of the member's pay to the
42 retirement system, which shall stand to the member's credit in his or her individual account
43 with the system, together with investment credits thereon, for purposes of funding retirement
44 benefits payable under the year 2000 plan, subject to the following provisions:

45 (1) The state of Missouri employer, pursuant to the provisions of 26 U.S.C. Section
46 414(h)(2), shall pick up and pay the contributions that would otherwise be payable by the
47 member under this section. The contributions so picked up shall be treated as employer
48 contributions for purposes of determining the member's pay that is includable in the member's
49 gross income for federal income tax purposes;

50 (2) Member contributions picked up by the employer shall be paid from the same
51 source of funds used for the payment of pay to a member. A deduction shall be made from
52 each member's pay equal to the amount of the member's contributions picked up by the
53 employer. This deduction, however, shall not reduce the member's pay for purposes of
54 computing benefits under the retirement system pursuant to this chapter;

55 (3) Member contributions so picked up shall be credited to a separate account within
56 the member's individual account so that the amounts contributed pursuant to this section may
57 be distinguished from the amounts contributed on an after-tax basis;

58 (4) The contributions, although designated as employee contributions, shall be paid
59 by the employer in lieu of the contributions by the member. The member shall not have the
60 option of choosing to receive the contributed amounts directly instead of having them paid by
61 the employer to the retirement system;

62 (5) Interest shall be credited annually on June thirtieth based on the value in the
63 account as of July first of the immediately preceding year at a rate of four percent. Effective
64 June 30, 2014, and each June thirtieth thereafter, the interest crediting rate shall be equal to
65 the investment rate that is published by the United States Department of the Treasury, or its
66 successor agency, for fifty-two week treasury bills for the relevant auction that is nearest to
67 the preceding July first, or a successor treasury bill investment rate as approved by the board
68 if the fifty-two week treasury bill is no longer issued. Interest credits shall cease upon
69 termination of employment if the member is not a vested former member. Otherwise, interest
70 credits shall cease upon retirement or death;

71 (6) **(a)** A vested former member or a former member who is not vested may request a
72 refund of his or her contributions and interest credited thereon. If such member is married at
73 the time of such request, such request shall not be processed without consent from the spouse.

74 Such member is not eligible to request a refund if such member's retirement benefit is subject
75 to a division of benefit order pursuant to section 104.1051. [~~Such refund~~]

76 **(b) For a former member who is not vested, the system shall refund the former**
77 **member's contributions and interest credited thereon if the total amount thereof is one**
78 **thousand dollars or less, or such other amount as may be permitted under applicable**
79 **federal law, provided that:**

80 **a. The system's procedures in effect from time to time to locate such member**
81 **shall be considered reasonable and necessary diligence consistent with good business**
82 **practice, such that if after the application of such procedures such refund is returned to**
83 **the system, the refund shall be presumed to be abandoned property under sections**
84 **447.500 to 447.585 notwithstanding any provisions of those sections which require a**
85 **specific abandonment or dormancy period; and**

86 **b. Subsection 2 of section 104.620 shall not apply to such refunds.**

87 **(c) Contribution refunds** shall be paid by the system within an administratively
88 reasonable period, but no sooner than ninety days from the date of termination of
89 employment. The amount refunded shall include all employee contributions made to any
90 retirement plan administered by the system and interest credited thereon.

91 **(d)** A vested former member may not request a refund after such member becomes
92 eligible for normal retirement.

93 **(e)** A vested former member or a former member who is not vested who receives a
94 refund shall forfeit all the member's credited service and future rights to receive benefits from
95 the system and shall not be eligible to receive any disability benefits; provided that any
96 member or vested former member receiving disability benefits shall not be eligible for a
97 refund. If such member subsequently becomes an employee and works continuously for at
98 least one year, the credited service previously forfeited shall be restored if the member returns
99 to the system the amount previously refunded plus interest at a rate established by the board;

100 **(7)** The beneficiary of any member who made contributions shall receive a refund
101 upon the member's death equal to the amount, if any, of such contributions and interest
102 credited thereon less any retirement benefits received by the member unless an annuity is
103 payable to a survivor or beneficiary as a result of the member's death. In that event, the
104 beneficiary of the survivor or beneficiary who received the annuity shall receive a refund
105 upon the survivor's or beneficiary's death equal to the amount, if any, of the member's
106 contributions less any annuity amounts received by the member and the survivor or
107 beneficiary.

108 **9.** The employee contribution rate, the benefits provided under the year 2000 plan to
109 members covered under this section, and any other provision of the year 2000 plan with
110 regard to members covered under this section may be altered, amended, increased, decreased,

111 or repealed, but only with respect to services rendered by the member after the effective date
112 of such alteration, amendment, increase, decrease, or repeal, or, with respect to interest
113 credits, for periods of time after the effective date of such alteration, amendment, increase,
114 decrease, or repeal.

115 10. For purposes of members covered by this section, the options under section
116 104.1027 shall be as follows:

117 Option 1.

118 A retiree's life annuity shall be reduced to a certain percent of the annuity otherwise
119 payable. Such percent shall be eighty-eight and one half percent adjusted as follows:
120 if the retiree's age on the annuity starting date is younger than sixty-seven years, an
121 increase of three-tenths of one percent for each year the retiree's age is younger than
122 age sixty-seven years; and if the beneficiary's age is younger than the retiree's age on
123 the annuity starting date, a decrease of three-tenths of one percent for each year of age
124 difference; and if the retiree's age is younger than the beneficiary's age on the annuity
125 starting date, an increase of three-tenths of one percent for each year of age difference;
126 provided, after all adjustments the option 1 percent cannot exceed ninety-four and one
127 quarter percent. Upon the retiree's death, fifty percent of the retiree's reduced annuity
128 shall be paid to such beneficiary who was the retiree's spouse on the annuity starting
129 date or as otherwise provided by subsection 5 of this section.

130 Option 2.

131 A retiree's life annuity shall be reduced to a certain percent of the annuity otherwise
132 payable. Such percent shall be eighty-one percent adjusted as follows: if the retiree's
133 age on the annuity starting date is younger than sixty-seven years, an increase of four-
134 tenths of one percent for each year the retiree's age is younger than sixty-seven years;
135 and if the beneficiary's age is younger than the retiree's age on the annuity starting
136 date, a decrease of five-tenths of one percent for each year of age difference; and if the
137 retiree's age is younger than the beneficiary's age on the annuity starting date, an
138 increase of five-tenths of one percent for each year of age difference; provided, after
139 all adjustments the option 2 percent cannot exceed eighty-seven and three quarter
140 percent. Upon the retiree's death one hundred percent of the retiree's reduced annuity
141 shall be paid to such beneficiary who was the retiree's spouse on the annuity starting
142 date or as otherwise provided by subsection 5 of this section.

143 Option 3.

144 A retiree's life annuity shall be reduced to ninety-three percent of the annuity
145 otherwise payable. If the retiree dies before having received one hundred twenty
146 monthly payments, the reduced annuity shall be continued for the remainder of the
147 one hundred twenty-month period to the retiree's designated beneficiary provided that

148 if there is no beneficiary surviving the retiree, the present value of the remaining
149 annuity payments shall be paid as provided under subsection 3 of section 104.620. If
150 the beneficiary survives the retiree but dies before receiving the remainder of such one
151 hundred twenty monthly payments, the present value of the remaining annuity
152 payments shall be paid as provided under subsection 3 of section 104.620.

153 Option 4.

154 A retiree's life annuity shall be reduced to eighty-six percent of the annuity otherwise
155 payable. If the retiree dies before having received one hundred eighty monthly
156 payments, the reduced annuity shall be continued for the remainder of the one hundred
157 eighty-month period to the retiree's designated beneficiary provided that if there is no
158 beneficiary surviving the retiree, the present value of the remaining annuity payments
159 shall be paid as provided under subsection 3 of section 104.620. If the beneficiary
160 survives the retiree but dies before receiving the remainder of such one hundred eighty
161 monthly payments, the present value of the remaining annuity payments shall be paid
162 as provided under subsection 3 of section 104.620.

163 11. The provisions of subsection 6 of section 104.1024 shall not apply to members
164 covered by this section.

165 12. Effective January 1, 2018, a member who is not a statewide elected official or a
166 member of the general assembly shall be eligible for retirement under this subsection subject
167 to the following conditions:

168 (1) A member's normal retirement eligibility shall be based on the attainment of at
169 least age sixty-seven and the completion of at least five years of credited service; or the
170 member's attainment of at least age fifty-five with the sum of the member's age and credited
171 service equaling at least ninety; or in the case of a member who is serving as a uniformed
172 member of the highway patrol and subject to the mandatory retirement provisions of section
173 104.081, such member's attainment of at least age sixty or the attainment of at least age fifty-
174 five with five years of credited service;

175 (2) A vested former member's normal retirement eligibility shall be based on the
176 attainment of at least age sixty-seven and the completion of at least five years of credited
177 service; except that, a vested former member who terminates employment after the attainment
178 of normal retirement eligibility as described in subdivision (1) of this subsection shall be
179 covered under such subdivision;

180 (3) A temporary annuity paid under subsection 4 of section 104.1024 shall be payable
181 if the member has attained at least age fifty-five with the sum of the member's age and
182 credited service equaling at least ninety; or in the case of a member who is serving as a
183 uniformed member of the highway patrol and subject to the mandatory retirement provisions

184 of section 104.081, the temporary annuity shall be payable if the member has attained at least
185 age sixty, or at least age fifty-five with five years of credited service;

186 (4) A member, other than a member who is serving as a uniformed member of the
187 highway patrol and subject to the mandatory retirement provisions of section 104.081, shall
188 be eligible for an early retirement annuity upon the attainment of at least age sixty-two and
189 the completion of at least five years of credited service. A vested former member who
190 terminated employment prior to the attainment of early retirement eligibility shall not be
191 eligible for early retirement;

192 (5) The normal and early retirement eligibility requirements in this subsection shall
193 apply for purposes of administering section 104.1087;

194 (6) The survivor annuity payable under section 104.1030 for vested former members
195 who terminated employment prior to the attainment of early retirement eligibility and who are
196 covered by this section shall not be payable until the deceased member would have reached
197 his or her normal retirement eligibility under this subsection;

198 (7) The annual cost-of-living adjustment payable under section 104.1045 shall not
199 commence until the second anniversary of the annuity starting date for vested former
200 members who terminated employment prior to the attainment of early retirement eligibility
201 and who are covered by this subsection;

202 (8) The unused sick leave credit granted under subsection 2 of section 104.1021 shall
203 not apply to members covered by this subsection unless the member terminates employment
204 after reaching normal retirement eligibility or becoming eligible for an early retirement
205 annuity under this subsection; and

206 (9) The minimum credited service requirements of five years contained in sections
207 104.1018, 104.1030, 104.1036, and 104.1051 shall be five years for members covered by this
208 subsection.

104.1092. 1. In lieu of retirement annuity benefits otherwise payable under the
2 closed plan or year 2000 plan, any member who has terminated employment, is entitled to a
3 deferred annuity, and has not yet reached normal retirement age or eligibility may make a
4 one-time election to receive a lump sum payment equal to a percentage of the present value of
5 such member's deferred annuity should a board choose to establish such a program by board
6 rule pursuant to section 104.1063.

7 2. Any such election under subsection 1 of this section may be made by the member
8 beginning on ~~[a date as established by the board under such program but not]~~ or after ~~[May~~
9 ~~31, 2018. After May 31, 2018, no such election shall be made and retirement annuity benefits~~
10 ~~shall only be paid as otherwise provided by law under this chapter]~~ **January 1, 2027.**

11 3. Any such member making such election under subsection 1 of this section shall
12 forfeit all such member's creditable or credited service and future rights to receive retirement

13 annuity benefits from the system under this chapter and shall not be eligible to receive any
14 long-term disability benefits. If such member subsequently becomes an employee, such
15 member shall be considered a new employee with no prior credited service and shall be
16 subject to the provisions of section 104.1091.

**105.695. 1. No contribution or expenditure of system funds shall be made
2 directly by any public pension system to advocate, support, or oppose the passage or
3 defeat of any ballot measure or the nomination or election of any candidate for public
4 office. Nor shall any system funds pay any debts or obligations of any committee
5 supporting or opposing such ballot measures or candidates.**

**6 2. Nothing in this section shall prohibit retirement systems and their employees
7 from educating and informing members and the public about potential impacts to the
8 system through regular system programs, processes, and job duties.**

**9 3. For the purposes of this section, the term "system" shall be defined as any
10 retirement system established by the state of Missouri or any political subdivision or
11 instrumentality of the state for the purpose of providing plan benefits for elected or
12 appointed public officials or employees of the state of Missouri or any political
13 subdivision or instrumentality of the state.**

169.450. 1. The general administration and responsibility for the proper operation of
2 the retirement system and for making effective the provisions of sections 169.410 to 169.540
3 are hereby vested in a board of trustees of thirteen 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
6 appointed shall expire each year. The members of such board of trustees appointed by the
7 board of education may be members of the board of education or other individuals deemed
8 qualified to 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;
11 provided, however, that their terms shall be fixed so that the terms of one of the trustees so
12 elected shall expire each year; and provided further, that not more than two of such persons
13 shall be teachers and two shall be nonteachers. For the purposes of this subsection, a school
14 administrator shall not be eligible for the positions established pursuant to this subdivision
15 and shall be eligible for the position established pursuant to subdivision (4) of this subsection;

16 (3) Two trustees, who shall be retired members, to be elected for terms of four years
17 by and from the retired members of the retirement system; provided, however, that the terms
18 of office of the first two trustees so elected shall begin immediately upon their election and
19 shall expire two and four years from the date of their election, respectively; and provided

20 further, that not more than one of such persons shall be a teacher and one shall be a
21 nonteacher;

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

26 (5) Two trustees to be appointed for terms of four years by the Missouri Charter
27 Public School Association; provided, however, that the terms of office of the first two trustees
28 so elected shall begin immediately upon their election and shall expire two and four years
29 from the date of their election, respectively. The members of such board of trustees appointed
30 by the Missouri Charter Public School Association shall have experience or qualifications
31 relevant to public charter schools and the retirement system, and at least one such member
32 shall be a teacher. The appointment of the trustees shall be subject to the same rules and
33 regulations applicable to other trustees, including, but not limited to, taking an oath of office
34 as provided in subsection 5 of this section.

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

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

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

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

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

75 7. Each trustee shall be entitled to one vote in the board of trustees. ~~[Six votes shall be~~
76 ~~necessary for a decision by the trustees at any meeting of the board of trustees.]~~ **Seven**
77 **members of the board of trustees shall constitute a quorum for the transaction of**
78 **business at any meeting of the board of trustees. Notwithstanding the foregoing, no**
79 **action or decision of the board of trustees shall be effective unless approved by the**
80 **affirmative vote of at least seven members of the board of trustees.**

81 8. Subject to the limitations of sections 169.410 to 169.540, the board of trustees
82 shall, from time to time, establish rules and regulations for the administration of the
83 retirement system, for eligibility for and determination of benefits under the retirement
84 system, for the investment of retirement system assets, and for the transaction of the
85 retirement system's business.

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

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

97 11. The board of trustees shall keep a record of all its proceedings which shall be
98 open to public inspection. It shall prepare annually and send to the board of education and to
99 each member of the retirement system a report showing the fiscal transactions of the
100 retirement system for the preceding fiscal year, a detailed listing of all salaries and
101 expenditures incurred by the trustees for its operation, the amount of the accumulated cash
102 and securities of the system, and the last balance sheet showing the financial condition of the
103 system by means of an actuarial valuation of the assets and liabilities of the retirement
104 system. The board of trustees shall also prepare or cause to be prepared an annual report
105 concerning the operation of the retirement system herein provided for, which report shall be
106 sent by the chairman of the board of trustees to the board of education.

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

109 13. The board of trustees shall designate a medical board to be composed of three
110 physicians, none of whom shall be eligible for benefits pursuant to sections 169.410 to
111 169.540, who shall arrange for and pass upon all medical examinations required pursuant to
112 the provisions of sections 169.410 to 169.540, shall investigate all essential statements and
113 certificates made by or on behalf of a member in connection with an application for disability
114 retirement and shall report in writing to the board of trustees its conclusions and
115 recommendations upon all matters referred to it.

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

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

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

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

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