

FIRST REGULAR SESSION

# HOUSE BILL NO. 755

## 99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE COOKSON.

1572H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 169.020, RSMo, and to enact in lieu thereof one new section relating to teacher retirement.

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

Section A. Section 169.020, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 169.020, to read as follows:

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

2. The general administration and the responsibility for the proper operation of the retirement system and for making effective the provisions of sections 169.010 to 169.141 are

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.

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

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

31         4. Trustees appointed by the governor shall be residents of school districts included in  
32 the retirement system, but not employees of such districts or a state employee or a state elected  
33 official. At least one trustee so appointed shall be a retired member of the public school  
34 retirement system or the public education employee retirement system. Three elected trustees  
35 shall be members of the public school retirement system and one elected trustee shall be a  
36 member of the public education employee retirement system.

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

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

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

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

48         9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be  
49 necessary for a decision by the trustees at any meeting of the board of trustees. Unless otherwise  
50 expressly provided herein, a meeting need not be called or held to make any decision on a matter  
51 before the board. Each member must be sent by the executive director a copy of the matter to  
52 be decided with full information from the files of the board of trustees. The unanimous decision  
53 of four trustees may decide the issue by signing a document declaring their decision and sending

54 such written instrument to the executive director of the board, provided that no other member  
55 of the board of trustees shall send a dissenting decision to the executive director of the board  
56 within fifteen days after such document and information was mailed to the trustee. If any  
57 member is not in agreement with four members the matter is to be passed on at a regular board  
58 meeting or a special meeting called for the purpose.

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

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

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

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

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

79 15. The board of trustees shall determine and decide all questions of doubt as to what  
80 constitutes employment within the meaning of sections 169.010 to 169.141 and 169.600 to  
81 169.715, the amount of benefits to be paid to members, retired members, beneficiaries and  
82 survivors and the amount of contributions to be paid by employer and employee. The executive  
83 director shall notify by certified mail both employer and member, retired member, beneficiary  
84 or survivor interested in such determination. Any member, retired member, beneficiary or  
85 survivor, district or employer adversely affected by such determination, at any time within thirty  
86 days after being notified of such determination, may appeal to the circuit court of Cole County.  
87 Such appeal shall be tried and determined anew in the circuit court and such court shall hear and  
88 consider any and all competent testimony relative to the issues in the case, which may be offered  
89 by either party thereto. The circuit court shall determine the rights of the parties under sections

90 169.010 to 169.141 and 169.600 to 169.715 using the same standard provided in section  
91 536.150, and the judgment or order of such circuit court shall be binding upon the parties and  
92 the board shall carry out such judgment or order unless an appeal is taken from such decision of  
93 the circuit court. Appeals may be had from the circuit court by the employer, member, retired  
94 member, beneficiary, survivor or the board, in the manner provided by the civil code.

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

101 17. The board of trustees shall provide for the maintenance of an individual account with  
102 each member, setting forth such data as may be necessary for a ready determination of the  
103 member's earnings, contributions, and interest accumulations. It shall also collect and keep in  
104 convenient form such data as shall be necessary for the preparation of the required mortality and  
105 service tables and for the compilation of such other information as shall be required for the  
106 valuation of the system's assets and liabilities. **Except for information pertaining to the**  
107 **salaries and benefits of the executive director and other employees of the board described**  
108 **under subsection 10 of this section,** all individually identifiable information pertaining to  
109 members, retirees, beneficiaries and survivors shall be confidential.

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

114 19. The headquarters of the retirement system shall be in Jefferson City, where suitable  
115 office space, utilities and other services and equipment necessary for the operation of the system  
116 shall be provided by the board of trustees and all costs shall be paid from funds of the system.  
117 All suits or proceedings directly or indirectly against the board of trustees, the board's members  
118 or employees or the retirement system established by sections 169.010 to 169.141 or 169.600 to  
119 169.715 shall be brought in Cole County.

120 20. The board may appoint an attorney or firm of attorneys to be the legal advisor to the  
121 board and to represent the board in legal proceedings, however, if the board does not make such  
122 an appointment, the attorney general shall be the legal advisor of the board of trustees, and shall  
123 represent the board in all legal proceedings.

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

127           22. The board shall arrange for annual audits of the records and accounts of the system  
128 by a firm of certified public accountants.

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

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