

SECOND REGULAR SESSION

HOUSE BILL NO. 2184

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BONDON.

5902H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 169.291, 169.324, 169.350, and 169.360, RSMo, and to enact in lieu thereof four new sections relating to the public school retirement system of Kansas City.

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

Section A. Sections 169.291, 169.324, 169.350, and 169.360, RSMo, are repealed and
2 four new sections enacted in lieu thereof, to be known as sections 169.291, 169.324, 169.350,
3 and 169.360, to read as follows:

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

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

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

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

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

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

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

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

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

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

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

52 a quorum at any meeting of the board of trustees, and the vote of a majority of the trustees then
53 in office in support of a motion, resolution or other matter shall be necessary to be the decision
54 of the board.

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

62 7. The trustees shall serve without compensation. The board of trustees shall elect from
63 its membership a chairman and a vice chairman. The board of trustees shall appoint an executive
64 director who shall serve as the administrative officer of the retirement system and as secretary
65 to the board of trustees. It shall employ one or more persons, firms or corporations experienced
66 in the investment of moneys to serve as investment counsel to the board of trustees. The
67 compensation of all persons engaged by the board of trustees and all other expenses of the board
68 necessary for the operation of the retirement system shall be paid at such rates and in such
69 amounts as the board of trustees shall approve, and shall be paid from the investment income.

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

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

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

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

85 12. The board of trustees shall designate a medical board to be composed of three or
86 more physicians who shall not be eligible for membership in the system and who shall pass upon
87 all medical examinations required under the provisions of sections 169.270 to 169.400, shall

88 investigate all essential statements and certificates made by or on behalf of a member in
89 connection with an application for disability retirement and shall report in writing to the board
90 of trustees its conclusions and recommendations upon all matters referred to it.

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

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

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

103 16. The rate of contribution payable by the employers shall equal one and ninety-nine
104 one-hundredths percent, effective July 1, 1993; three and ninety-nine one-hundredths percent,
105 effective July 1, 1995; five and ninety-nine one-hundredths percent, effective July 1, 1996; seven
106 and one-half percent effective January 1, 1999, and for subsequent calendar years through 2013.
107 For calendar year 2014 and each subsequent year, the rate of contribution payable by the
108 employers for each year shall be determined [~~by the actuary for the retirement system in the~~
109 ~~manner~~] as provided in [~~subsection~~] **subsections 4 and 6** of section 169.350 and shall be
110 certified by the board of trustees to the employers at least six months prior to the date such rate
111 is to be effective.

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

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

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

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

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

22 (4) A retirant who becomes a member of the retirement system on or after January 1,
23 2014, including any retirant who was a member of the retirement system before January 1, 2014,
24 but ceased to be a member for any reason other than retirement, shall receive an annual service
25 retirement allowance payable pursuant to section 169.320 in equal monthly installments for life
26 equal to the retirant's number of years of creditable service multiplied by one and three-fourths
27 percent of the person's average final compensation, subject to a maximum of sixty percent of the
28 person's average final compensation;

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

41 2. Except as otherwise provided in sections 169.331 and 169.585, payment of a retirant's
42 retirement allowance will be suspended for any month for which such person receives
43 remuneration from the person's employer or from any other employer in the retirement system
44 established by section 169.280 for the performance of services except any such person other than

45 a person receiving a disability retirement allowance under section 169.322 may serve as a
46 nonregular substitute, part-time or temporary employee for not more than six hundred hours in
47 any school year without becoming a member and without having the person's retirement
48 allowance discontinued, provided that through such substitute, part-time, or temporary
49 employment, the person may earn no more than fifty percent of the annual salary or wages the
50 person was last paid by the employer before the person retired and commenced receiving a
51 retirement allowance, adjusted for inflation. If a person exceeds such hours limit or such
52 compensation limit, payment of the person's retirement allowance shall be suspended for the
53 month in which such limit was exceeded and each subsequent month in the school year for which
54 the person receives remuneration from any employer in the retirement system. In addition to the
55 conditions set forth above, the restrictions of this subsection shall also apply to any person retired
56 and currently receiving a retirement allowance under sections 169.270 to 169.400, other than for
57 disability, who is employed by a third party or is performing work as an independent contractor
58 if the services performed by such person are provided to or for the benefit of any employer in the
59 retirement system established under section 169.280. The retirement system may require the
60 employer receiving such services, the third-party employer, the independent contractor, and the
61 retiree subject to this subsection to provide documentation showing compliance with this
62 subsection. If such documentation is not provided, the retirement system may deem the retiree
63 to have exceeded the limitations provided for in this subsection. If a retiree is reemployed by
64 any employer in any capacity, whether pursuant to this section, or section 169.331 or 169.585,
65 or as a regular employee, the amount of such person's retirement allowance attributable to service
66 prior to the person's first retirement date shall not be changed by the reemployment. If the person
67 again becomes an active member and earns additional creditable service, upon the person's
68 second retirement the person's retirement allowance shall be the sum of:

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

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

77

78 The sum calculated pursuant to this subsection shall not exceed the greater of sixty percent of
79 the person's average final compensation as of the second retirement date or the amount
80 determined pursuant to subdivision (1) of this subsection. Compensation earned prior to the

81 person's first retirement date shall be considered in determining the person's average final
82 compensation as of the second retirement date if such compensation would otherwise be included
83 in determining the person's average final compensation.

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

90 (1) After determination by the actuary of the investment return for the preceding year as
91 of December thirty-first (the "valuation year"), the actuary shall recommend to the board of
92 trustees what portion of the investment return is available to provide such benefits increase, if
93 any, and shall recommend the amount of such benefits increase, if any, to be implemented as of
94 the first day of the thirteenth month following the end of the valuation year, and first payable on
95 or about the first day of the fourteenth month following the end of the valuation year. The
96 actuary shall make such recommendations so as not to affect the financial soundness of the
97 retirement system, recognizing the following safeguards:

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

101 (b) The actuarially required contribution rate, ~~after~~ **before** adjusting for the effect of
102 the proposed increase, may not exceed the then applicable employer and member contribution
103 rate as determined under ~~subsection~~ **subsections 4, 5, and 6** of section 169.350;

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

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

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

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

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

117 such period of service using the benefit formula in effect, the person's average final
118 compensation as of the last day of such period of service and the creditable service the person
119 earned during such period of service; provided, however, if the person earns at least four
120 additional years of creditable service without another break in service, all of the person's
121 creditable service prior to and including such service shall be aggregated and, upon retirement,
122 the retirement allowance shall be computed using the benefit formula in effect and the person's
123 average final compensation as of the last day of such period of four or more years and all of the
124 creditable service the person earned prior to and during such period.

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

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

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

5 (1) The employees' contribution fund shall be the fund in which shall be accumulated
6 the contributions of the members. The employer shall, except as provided in subdivision (5) of
7 this subsection, cause to be deducted from the compensation of each member on each and every
8 payroll, for each and every payroll period, the pro rata portion of five and nine-tenths percent of
9 his annualized compensation. Effective January 1, 1999, through December 31, 2013, the
10 employer shall deduct an additional one and six-tenths percent of the member's annualized
11 compensation. For 2014 and for each subsequent year, the employer shall deduct from each
12 member's annualized compensation the rate of contribution determined for such year ~~by the~~
13 ~~actuary for the retirement system in the manner~~ **as provided in [subsection] subsections 4, 5,**
14 **and 6** of this section.

15 (2) The employer shall pay all such deductions and any amount it may elect to pay
16 pursuant to subdivision (5) of this subsection to the retirement system at once. The retirement
17 system shall credit such deductions and such amounts to the individual account of each member
18 from whose compensation the deduction was made or with respect to whose compensation the

19 amount was paid pursuant to subdivision (5) of this subsection. In determining the deduction
20 for a member in any payroll period, the board of trustees may consider the rate of compensation
21 payable to such member on the first day of the payroll period as continuing throughout such
22 period.

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

33 (4) The accumulated contributions with interest of a member withdrawn by the person
34 or paid to the person's estate or designated beneficiary in the event of the person's death before
35 retirement shall be paid from the employees' contribution fund. Upon retirement of a member
36 the member's accumulated contributions with interest shall be transferred from the employees'
37 contribution fund to the general reserve fund.

38 (5) The employer may elect to pay on behalf of all members all or part of the amount that
39 the members would otherwise be required to contribute to the employees' contribution fund
40 pursuant to subdivision (1) of this subsection. Such amounts paid by the employer shall be in
41 lieu of members' contributions and shall be treated for all purposes of sections 169.270 to
42 169.400 as contributions made by members. Notwithstanding any other provision of this chapter
43 to the contrary, no member shall be entitled to receive such amounts directly. The election shall
44 be made by a duly adopted resolution of the employer's board and shall remain in effect for at
45 least one year from the effective date thereof. The election may be thereafter terminated only by
46 an affirmative act of the employer's board notwithstanding any limitation in the term thereof in
47 the adopting resolution. Any such termination resolution shall be adopted at least sixty days
48 prior to the effective date thereof, and the effective date thereof shall coincide with a fiscal
49 year-end of the employer. In the absence of such a termination resolution, the election shall
50 remain in effect from fiscal year to fiscal year.

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

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

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

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

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

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

74 (2) The target combined employer and member contribution rate shall be the amount
75 actuarially required to cover the normal cost and amortize any unfunded accrued actuarial
76 liability over a period that shall not exceed thirty years from the date of the valuation;

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

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

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

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

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

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

93 **6. The employer contribution rate for calendar year 2019 shall be ten and one-half**
94 **percent. The employer contribution rate for the eighteen-month period beginning January**
95 **1, 2020, through June 30, 2021, shall be twelve percent. For the twelve-month period**
96 **beginning July 1, 2021, and for each subsequent twelve-month period beginning July first**
97 **each year, the employer contribution rate shall be determined as follows:**

98 **(1) The actuary shall determine the total actuarially required contribution based**
99 **on an actuarial valuation of the retirement system as of the first day of the preceding**
100 **calendar year. Such actuarial valuation shall be performed using the actuarial cost method**
101 **and actuarial assumptions adopted by the board of trustees and in accordance with**
102 **actuarial standards of practice applicable as of the valuation date. The total actuarially**
103 **required contribution rate, including both employer and member contributions, shall be**
104 **an amount determined in accordance with the board's current funding policy, expressed**
105 **as a level percentage of the annualized compensation of the members;**

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

111 **(3) If the retirement system's funded ratio as of the first day of the preceding**
112 **calendar year equals or exceeds one hundred percent and the total actuarially required**
113 **contribution rate exceeds eighteen percent, the employer contribution rate shall be the**
114 **difference between the total actuarially required contribution rate and the nine percent**
115 **member contribution rate, subject to the limits on annual adjustments stated in subdivision**
116 **(6) of this subsection;**

117 **(4) If the retirement system's funded ratio as of the first day of the preceding**
118 **calendar year equals or exceeds one hundred percent and the total actuarially required**
119 **contribution rate does not exceed eighteen percent, the total actuarially required**
120 **contribution rate shall be allocated equally between the employer contribution rate and the**
121 **member contribution rate. If the total actuarially required contribution rate falls below**
122 **eighteen percent after being above eighteen percent for the preceding twelve-month period,**
123 **the member contribution rate and the employer contribution rate shall be adjusted to one-**
124 **half of the total actuarially required contribution rate for such period, regardless of the**

125 **magnitude of the decrease from the rate in effect for the prior period, in order to equalize**
126 **the employer and member contribution rates. Otherwise, adjustments in the contribution**
127 **rates shall be limited by the annual adjustment limits stated in subdivision (6) of this**
128 **subsection;**

129 **(5) If the retirement system's funded ratio as of the first day of the preceding**
130 **calendar year again falls below one hundred percent, or if the total actuarially required**
131 **contribution rate rises above eighteen percent, the provisions of subdivision (2) or (3) of**
132 **this subsection shall apply, as applicable, subject to the limits on annual adjustments stated**
133 **in subdivision (6) of this subsection;**

134 **(6) Except as stated in subdivision (4) of this subsection, in transitioning to the**
135 **contribution rates prescribed in this subsection for periods beginning on or after July 1,**
136 **2021, the employer contribution rate and the member contribution rate, respectively, shall**
137 **not increase by more than one percent or decrease by more than one-half percent for any**
138 **period from the corresponding rate in effect immediately before such increase or decrease;**
139 **and**

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

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

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

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