

CCS SCS HCS HB 265 -- PUBLIC SCHOOL RETIREMENT SYSTEMS

This bill changes the laws regarding the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri. In its main provisions, the bill:

(1) Allows the boards of the retirement systems to establish and maintain an investment fund account to combine moneys from both systems for investment purposes only. The funds of each system must be accounted for separately and for all other reporting purposes;

(2) Allows a member when purchasing prior service credit who has not paid the entire cost of the service by September 30 to have the purchase price recalculated as of October 1 of the same year instead of charging interest. Currently, if a member has not paid for the service by June 30, the purchase price will be recalculated as of July 1;

(3) Allows the retirement systems to prohibit a purchase or impose additional requirements for making a purchase if necessary to comply with federal law;

(4) Specifies that, upon the death of a member who has chosen a guaranteed payment option and no designated beneficiary is living or the member's financial institution cannot accept the payment, any remaining benefits will be paid in the order of the surviving spouse, surviving children equally, surviving parents equally, or to the estate of the last person receiving benefits;

(5) Prohibits, beginning July 1, 2010, employees of any additional nonprofit educational association or organization from becoming members of the retirement systems;

(6) Allows the retirement systems, to the extent determined appropriate by the boards of trustees, to indemnify and protect any trustee or employee of the systems against liability claims arising out of his or her official capacity. No employee or trustee will be entitled to indemnification for his or her gross negligence or willful misconduct or unless written notice is given to the appropriate board within 15 days of receiving a service of process of a proceeding;

(7) Requires all suits or proceedings directly or indirectly brought against the boards, members or employees of the boards, or the systems themselves to be brought in Cole County; and

(8) Allows funds belonging to the retirement systems and certain benefits to be subject to execution, garnishment, attachment, or any other process in a proceeding instituted for spousal

maintenance or child support.