

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]

SENATE SUBSTITUTE NO. 2 FOR  
SENATE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 116

97TH GENERAL ASSEMBLY

0523S.09T

2013

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## AN ACT

To repeal sections 21.760, 29.090, 29.180, 29.190, 29.200, 29.210, 29.230, 29.235, 29.250, 29.260, 29.270, 29.275, 29.340, 33.300, 37.850, 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 86.200, 86.257, 86.263, 86.900, 86.990, 86.1000, 86.1010, 86.1030, 86.1100, 86.1110, 86.1150, 86.1180, 86.1210, 86.1220, 86.1230, 86.1240, 86.1250, 86.1270, 86.1310, 86.1380, 86.1420, 86.1500, 86.1530, 86.1540, 86.1580, 86.1590, 86.1610, 86.1630, 103.025, 104.190, 104.480, 169.020, and 238.272, RSMo, and to enact in lieu thereof fifty-seven new sections relating to public accounts, with penalty provisions and an emergency clause for a certain section.

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

Section A. 21.760, 29.090, 29.180, 29.190, 29.200, 29.210, 29.230, 29.235, 29.250,  
2 29.260, 29.270, 29.275, 29.340, 33.300, 37.850, 50.055, 50.057, 50.622, 50.1030, 56.809,  
3 70.605, 86.200, 86.257, 86.263, 86.900, 86.990, 86.1000, 86.1010, 86.1030, 86.1100, 86.1110,  
4 86.1150, 86.1180, 86.1210, 86.1220, 86.1230, 86.1240, 86.1250, 86.1270, 86.1310, 86.1380,  
5 86.1420, 86.1500, 86.1530, 86.1540, 86.1580, 86.1590, 86.1610, 86.1630, 103.025, 104.190,  
6 104.480, 169.020, and 238.272, RSMo, is repealed and fifty-seven new sections enacted in lieu  
7 thereof, to be known as sections 29.005, 29.185, 29.190, 29.200, 29.210, 29.216, 29.221, 29.230,  
8 29.235, 29.250, 29.260, 29.351, 33.087, 33.300, 37.850, 50.055, 50.057, 50.622, 50.1030,  
9 56.809, 70.605, 86.200, 86.257, 86.263, 86.900, 86.990, 86.1000, 86.1010, 86.1030, 86.1100,  
10 86.1110, 86.1150, 86.1151, 86.1180, 86.1210, 86.1220, 86.1230, 86.1231, 86.1240, 86.1250,

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.

11 86.1270, 86.1310, 86.1380, 86.1420, 86.1500, 86.1530, 86.1540, 86.1580, 86.1590, 86.1610,  
12 86.1630, 103.025, 104.190, 104.480, 169.020, 208.1050, and 238.272, to read as follows:

**29.005. As used in this chapter, the following terms mean:**

2 (1) "Accounting system", the total structure of records and procedures which  
3 discover, record, classify, and report information on the financial position and operating  
4 results of a governmental unit or any of its funds, balanced account groups, and  
5 organizational components;

6 (2) "Audit", an independent, objective assessment of the stewardship, performance,  
7 or cost of government policies, programs, or operations, depending upon the type and  
8 scope of the audit. All audits shall conform to the standards established by the comptroller  
9 general of the United States for audits of government entities, organizations, programs,  
10 activities, and functions as presented in the publication Government Auditing Standards;

11 (3) "Federal agency", any department, agency, or instrumentality of the federal  
12 government and any federally owned or controlled corporation;

13 (4) "Financial audits", audits providing an independent assessment of whether an  
14 entity's reported financial information is presented fairly in accordance with recognized  
15 criteria. Financial audits shall consist of the following:

16 (a) Financial statement audits that shall:

17 a. Provide or disclaim an opinion about whether an entity's financial statements are  
18 presented fairly in all material respects in conformity with accounting principles generally  
19 accepted in the United States or with another applicable financial reporting framework;  
20 or

21 b. Report on internal control deficiencies and on compliance with provisions of  
22 laws, regulations, contracts, and grant agreements, as those controls and provisions relate  
23 to financial transactions, systems, and processes; or

24 (b) Other financial audits of various scopes which may include, but not be limited  
25 to:

26 a. Reporting on specified elements, accounts, or items of a financial statement; and

27 b. Auditing compliance with requirements related to federal award expenditures  
28 and other governmental financial assistance in conjunction with a financial statement  
29 audit;

30 (5) "Internal control", the plans, policies, methods, and procedures used to meet  
31 an entity's or organization's mission, goals, and objectives. Internal control shall include  
32 the processes and procedures for planning, organizing, directing, and controlling  
33 operations, as well as management's system for measuring, reporting, and monitoring  
34 performance;

35           **(6) "Performance audits", audits that provide findings or conclusions based on an**  
36 **evaluation of sufficient, appropriate evidence against identified criteria. Performance**  
37 **audit objectives shall include, but not be limited to, the following:**

38           **(a) Effectiveness and results. This objective may measure the extent to which an**  
39 **entity, organization, activity, program, or function is achieving its goals and objectives;**

40           **(b) Economy and efficiency. This objective shall assess the costs and resources used**  
41 **to achieve results of an entity, organization, activity, program, or function;**

42           **(c) Internal control. This objective shall assess one or more components of an**  
43 **entity's internal control system, which is designed to provide reasonable assurance of**  
44 **achieving effective and efficient operations, reliable financial and performance reporting,**  
45 **or compliance with applicable legal requirements; and**

46           **(d) Compliance. This objective shall assess compliance with criteria established by**  
47 **provisions of laws, regulations, contracts, and grant agreements or by other requirements**  
48 **that could affect the acquisition, protection, use, and disposition of an entity's resources**  
49 **and the quantity, quality, timeliness, and cost of services the entity produces and delivers;**

50           **(7) "State agency", any department, institution, board, commission, committee,**  
51 **division, bureau, officer, or official which shall include any institution of higher education,**  
52 **mental or specialty hospital, community college, or circuit court and divisions of the circuit**  
53 **court.**

**29.185. When conducting an audit under this chapter, the audit objectives as**  
2 **defined in the standards established by the comptroller general of the United States shall**  
3 **determine the type of audit to be conducted which may include financial and performance**  
4 **audits. Neither the audit type nor the audit objectives shall be mutually exclusive. An**  
5 **audit may include either financial or performance audit objectives or one or more**  
6 **objectives from both types of audits. A performance audit may include one primary**  
7 **objective, such as economy and efficiency, or a combination of objectives, such as internal**  
8 **control and compliance.**

          29.190. The state auditor shall [prescribe the form of books, receipts, vouchers and  
2 documents required to separate and verify each transaction, and forms of reports and statements  
3 required for the administration of such officer, or for the information of the public. He shall  
4 also] prescribe a uniform method and plan of publishing the county financial statement each year  
5 for the information of the public. Such statement or statements shall set forth the true financial  
6 condition of the county, the revenues and receipts, expenditures and disbursements for the year  
7 as compared with the budget for the year, the bonded debt and other liabilities at the close of the  
8 year, the total salaries, fees and all other emoluments received by all county officers, and such

9 other information as shall be prescribed by the state auditor. The form of such statements shall  
10 follow the recognized governmental reporting practices.

29.200. [The state auditor shall postaudit the accounts of all state agencies and audit the  
2 treasury at least once annually. Once every two years, and when he deems it necessary, proper  
3 or expedient, the state auditor shall examine and postaudit the accounts of all appointive officers  
4 of the state and of institutions supported in whole or in part by the state. He shall audit any  
5 executive department or agency of the state upon the request of the governor.] **1. Except as  
6 provided under subsection 2 of this section, all audits conducted under this chapter may  
7 be made at the discretion of the auditor without advance notice to the organization being  
8 audited. An audit also shall be conducted upon the request of the governor as provided  
9 under section 26.060, and the expenses for any such audit conducted upon the request of  
10 the governor shall be paid as provided in section 26.090.**

11 **2. The auditor, on his or her initiative and as often as he or she deems necessary,  
12 to the extent deemed practicable and consistent with the overall responsibility as contained  
13 in this chapter, shall make or cause to be made audits of all or any part of the activities of  
14 the state agencies.**

15 **3. The auditor shall make, or cause to be made, audits of all or any parts of political  
16 subdivisions and other entities as authorized in this chapter or any other law of this state.**

17 **4. In selecting audit areas and in evaluating current audit activity, the auditor may,  
18 at his or her discretion, consider and utilize, in whole or in part, the relevant audit  
19 coverage and applicable reports of the audit staffs of the various state agencies,  
20 independent contractors, and federal agencies.**

21 **5. The auditor shall be authorized to contract with federal audit agencies, or any  
22 governmental agency, on a cost reimbursement basis, to perform audits of federal grant  
23 programs administered by the state departments and institutions in accordance with  
24 agreements negotiated between the auditor and the contracting federal audit agencies or  
25 any governmental agency. In instances where the grantee state agency shall subgrant such  
26 federal funds to local governments, regional councils of government, other local groups,  
27 or private or semiprivate institutions or agencies, the auditor shall have the authority to  
28 examine the books and records of these subgrantees to the extent necessary to determine  
29 eligibility and proper use in accordance with state and federal laws and regulations. The  
30 auditor shall charge and collect from the contracting federal audit agencies, or any  
31 governmental agencies, the actual cost of all the audits of the grants and programs that are  
32 conducted by the auditor under the contract. Amounts collected under these arrangements  
33 shall be deposited into the state treasury and be credited to the state auditor-federal fund**

34 and shall be available to hire sufficient personnel to perform these contracted audits and  
35 to pay for related travel, supplies, and other necessary expenses.

36 6. In the auditor's reports of audits and reports of special investigations, the  
37 auditor shall make any comments, suggestions, or recommendations deemed appropriate  
38 concerning any aspect of such agency's activities and operations.

39 7. The auditor shall audit the state treasury at least once annually.

40 8. The auditor may examine the banking accounts and records of the state  
41 treasurer, state agency, or any political subdivision at any bank or financial institution  
42 provided that the bank or financial institution shall not be required to produce the  
43 requested accounts or records until the auditor, treasurer, state agency, or political  
44 subdivision reimburses the reasonable document production costs of the bank or financial  
45 institution.

46 9. The auditor may, as often as the auditor deems necessary, conduct a detailed  
47 review of the bookkeeping and accounting systems in use in the various state agencies that  
48 are supported partially or entirely by state funds. Such examinations shall be for the  
49 purpose of evaluating the adequacy of systems in use by such agencies. In instances where  
50 the auditor determines that existing systems are outmoded, inefficient, or otherwise  
51 inadequate, the auditor shall recommend changes to the state agency and notify the general  
52 assembly of the recommended changes.

53 10. The auditor shall, through appropriate tests, determine the propriety of the  
54 data presented in the state comprehensive annual financial report, and shall express the  
55 auditor's opinion in accordance with generally accepted government auditing standards.

56 11. The auditor shall provide a report to the governor, attorney general, and other  
57 appropriate officials of facts in the auditor's possession which pertain to the apparent  
58 violation of penal statutes or apparent instances of malfeasance, misfeasance, or  
59 nonfeasance by an officer or employee.

60 12. At the conclusion of an audit, the auditor or the auditor's designated  
61 representative shall supply a copy of a draft report of the audit to, and discuss such draft  
62 with, the official, or that official's designated representative, whose office is subject to  
63 audit. On any audit of a state agency or political subdivision of the state, the auditee shall  
64 provide responses to any recommendations contained in the draft report within thirty days  
65 from the receipt of the draft report.

66 13. The auditor shall notify the general assembly, the governor, the director of each  
67 agency audited, and other persons as the auditor deems appropriate that an audit report  
68 has been published, its subject and title, and the locations, including state libraries, at  
69 which the report is available. The auditor then shall distribute copies of the report only

70 to those who request a report. The copies shall be available in written form or available  
71 on the official website of the auditor. The auditor may charge a reasonable fee for  
72 providing a written copy of an audit report. The auditor also shall file a copy of the audit  
73 report in the auditor's office; this copy shall be a permanent public record. Nothing in this  
74 subsection shall be construed to authorize or permit the publication of information that is  
75 otherwise prohibited by law from being disclosed.

76 14. Nothing in this chapter shall be construed to infringe upon or deprive the  
77 legislative, executive, or judicial branches of state government of any rights, powers, or  
78 duties vested in or imposed upon them by statute or the constitution of this state.

79 15. Nothing in this chapter shall be construed by the courts of this state in a manner  
80 inconsistent with Article II of the Constitution of Missouri.

81 16. The auditor shall be responsible for receiving reports of allegations of improper  
82 governmental activities as provided in section 29.221. The auditor shall adopt policies and  
83 procedures necessary to provide for the investigation or referral of such allegations.

84 17. In accordance with the state's records retention schedule, the auditor shall  
85 maintain a complete file of all audit reports and reports of other examinations,  
86 investigations, surveys, and reviews issued under the auditor's authority. Audit work  
87 papers and other evidence and related supportive material directly pertaining to the work  
88 of the auditor's office shall be retained according to an agreement between the auditor and  
89 the state archives. To promote intergovernmental cooperation and avoid unnecessary  
90 duplication of audit effort, pertinent work papers and other supportive material related  
91 to issued audit reports may be, at the discretion of the auditor and unless otherwise  
92 prohibited by law, made available for inspection by duly authorized representatives of the  
93 state and federal government who desire access to, and inspection of, such records in  
94 connection with a matter officially before them, including criminal investigations. Except  
95 as provided in this section, audit work papers and related supportive material shall be kept  
96 confidential, including any interpretations, advisory opinions, or other information or  
97 materials used and relied on in performing the audit.

29.210. [In the year 1949 and every two years thereafter, it shall be the duty of]  
2 **Whenever** the state auditor [to] **conducts an** audit of the state highways and transportation  
3 commission and the state transportation department[.], salaries of auditors, examiners, clerks,  
4 stenographers and other employees of the state auditor making such audit and all expenses  
5 incurred in making such audit shall be paid monthly by the state highways and transportation  
6 commission and the state transportation department out of moneys appropriated to the state  
7 highways and transportation commission and the state transportation department [for that  
8 purpose], when such payrolls and expense accounts for such purposes are certified to the state

9 highways and transportation commission and the state transportation department by the state  
10 auditor.

**29.216. The state auditor may make, or cause to be made, audits of any public  
2 employee retirement or public employee health care system operating within the state,  
3 which shall include but not be limited to a public employee retirement or public employee  
4 health care system established under sections 70.600 to 70.755 and chapters 50, 56, 103,  
5 104, and 169.**

**29.221. 1. The auditor shall provide various means to receive reports of allegations  
2 of improper governmental activities, which shall include a telephone hotline, electronic  
3 mail, and internet access. The auditor shall periodically publicize the hotline telephone  
4 number, electronic mail address, internet website address, and any other means by which  
5 the auditor may receive reports of allegations of improper governmental activities.  
6 Individuals who make a report under this section may choose to remain anonymous until  
7 the individual affirmatively consents to having the individual's identity disclosed.**

**8 2. The auditor shall receive and initially review reports of allegations of improper  
9 governmental activities of state agencies, political subdivisions, or state or political  
10 subdivision officers or employees within the scope of authority set forth in this section,  
11 including misappropriation, mismanagement, waste of resources, fraud, or violations of  
12 state or federal law, rule or regulation. After conducting an initial review, the auditor may  
13 investigate those allegations the auditor deems to be credible. When the auditor believes  
14 that an allegation of improper governmental activity is outside the authority set forth in  
15 this section, the auditor shall refer the allegation to the appropriate state agency  
16 responsible for the enforcement or administration of the matter for investigation. When  
17 the auditor believes that an allegation of improper governmental activity involves matters  
18 set forth in this subsection, those matters shall be referred as follows:**

**19 (1) Allegations of criminal misconduct to either the attorney general or the  
20 prosecuting attorney for the county where the alleged misconduct occurred;**

**21 (2) Allegations of violations of sections 105.450 to 105.496 to the Missouri ethics  
22 commission;**

**23 (3) Allegations of violations of chapter 115 to the appropriate election authority or  
24 the secretary of state.**

**29.230. 1. In every county which does not elect a county auditor, the state auditor shall  
2 audit, without cost to the county, at least once during the term for which any county officer is  
3 chosen, the accounts of the various county officers supported in whole or in part by public  
4 moneys. [The audit shall be made as near the expiration of the term of office as the auditing  
5 force of the state auditor will permit.]**

6           2. The state auditor shall audit any political subdivision of the state, including counties  
7 having a county auditor, if requested to do so by a petition signed by the requisite percent of the  
8 qualified voters of the political subdivision. The requisite percent of qualified voters to cause  
9 such an audit to be conducted shall be determined as follows:

10           (1) If the number of qualified voters of the political subdivision determined on the basis  
11 of the votes cast in the last gubernatorial election held prior to the filing of the petition is less  
12 than one thousand, twenty-five percent of the qualified voters of the political subdivision  
13 determined on the basis of the registered voters eligible to vote at the last gubernatorial election  
14 held prior to the filing of the petition;

15           (2) If the number of qualified voters of the political subdivision determined on the basis  
16 of the votes cast in the last gubernatorial election held prior to the filing of the petition is one  
17 thousand or more but less than five thousand, fifteen percent of the qualified voters of the  
18 political subdivision determined on the basis of the votes cast in the last gubernatorial election  
19 held prior to the filing of the petition, provided that the number of qualified voters signing such  
20 petition is not less than two hundred;

21           (3) If the number of qualified voters of the political subdivision determined on the basis  
22 of the votes cast in the last gubernatorial election held prior to the filing of the petition is five  
23 thousand or more but less than fifty thousand, ten percent of the qualified voters of the political  
24 subdivision determined on the basis of the votes cast in the last gubernatorial election held prior  
25 to the filing of the petition, provided that the number of qualified voters signing such petition is  
26 not less than seven hundred fifty;

27           (4) If the number of qualified voters of the political subdivision determined on the basis  
28 of the votes cast in the last gubernatorial election held prior to the filing of the petition is fifty  
29 thousand or more, five percent of the qualified voters of the political subdivision determined on  
30 the basis of the votes cast in the last gubernatorial election held prior to the filing of the petition,  
31 provided that the number of qualified voters signing such petition is not less than five thousand.  
32 The political subdivision shall pay the actual cost of audit. The petition that requests an audit  
33 of a political subdivision shall state on its face the estimated cost of the audit and that it will be  
34 paid by the political subdivision being audited. The estimated cost of the audit shall be provided  
35 by the state auditor within sixty days of such request. The costs of the audit may be billed and  
36 paid on an interim basis with individual billing periods to be set at the state auditor's discretion.  
37 Moneys held by the state on behalf of a political subdivision may be used to offset unpaid  
38 billings for audit costs of the political subdivision. All moneys received by the state in payment  
39 of the costs of petition audits shall be deposited in the state treasury and credited to the "Petition  
40 Audit Revolving Trust Fund" which is hereby created with the state treasurer as custodian. The  
41 general assembly may appropriate additional moneys to the fund as it deems necessary. The state

42 auditor shall administer the fund and approve all disbursements, upon appropriation, from the  
43 fund to apply to the costs of performing petition audits. The provisions of section 33.080 to the  
44 contrary notwithstanding, money in the fund shall not be transferred and placed to the credit of  
45 general revenue until the amount in the fund at the end of any biennium exceeds one million  
46 dollars. The amount in the fund which shall lapse is the amount which exceeds one million  
47 dollars. No political subdivision shall be audited by petition more than once in any three  
48 calendar or fiscal years.

29.235. 1. [All audits shall conform to the standards for auditing of governmental  
2 organizations, programs, activities and functions established by the comptroller general of the  
3 United States. The audit objectives as defined in the standards shall determine the type of audit  
4 to be conducted.

5 2. The state auditor and any person appointed by him for that purpose may administer  
6 oaths and cause to be summoned before them any person whose testimony is desired or necessary  
7 in any examination, and may require the person to produce necessary papers, documents and  
8 writings.] **The auditor and the auditor's authorized agents are authorized to:**

9 **(1) Examine all books, accounts, records, reports, vouchers, of any state agency, or**  
10 **entity subject to audit, insofar as they are necessary to conduct an audit under this chapter,**  
11 **provided that the auditor complies with state and federal financial privacy requirements**  
12 **prior to accessing financial records including provisions presented in chapter 408 and**  
13 **provided that the auditor or other public entity reimburses the reasonable documentation**  
14 **and production costs relating to compliance with examination by the auditor or auditor's**  
15 **authorized agents that pertain to:**

16 **(a) Amounts received under a grant or contract from the federal government or the**  
17 **state or its political subdivisions;**

18 **(b) Amounts received, disbursed, or otherwise handled on behalf of the federal**  
19 **government or the state;**

20 **(2) Examine and inspect all property, equipment, and facilities in the possession of**  
21 **any state agency, political subdivision, or quasi-governmental entity that were furnished**  
22 **or otherwise provided through grant, contract, or any other type of funding by the state**  
23 **of Missouri or the federal government; and**

24 **(3) Review state tax returns, except such review shall be limited to matters of**  
25 **official business, and the auditor's report shall not violate the confidentiality provisions of**  
26 **tax laws. Notwithstanding confidentiality provisions of tax laws to the contrary, the**  
27 **auditor may use or disclose information related to overdue tax debts in support of the**  
28 **auditor's statutory mission.**

29           **2. All contracts or agreements entered into as a result of the award of a grant by**  
30 **state agencies or political subdivisions shall include, as a necessary part, a clause describing**  
31 **the auditor's access as provided under this section.**

32           **3. The auditor may obtain the services of certified public accountants, qualified**  
33 **management consultants, or other professional persons and experts as the auditor deems**  
34 **necessary or desirable to carry out the duties and functions assigned under this chapter.**  
35 **Unless otherwise authorized by law, no state agency shall enter into any contract for**  
36 **auditing services without consultation with, and the prior written approval of, the auditor.**

37           **4. (1) Insofar as necessary to conduct an audit under this chapter, the auditor or**  
38 **the auditor's authorized representatives shall have the power to subpoena witnesses, to**  
39 **take testimony under oath, to cause the deposition of witnesses residing within or without**  
40 **the state to be taken in a manner prescribed by law, and to assemble records and**  
41 **documents, by subpoena or otherwise. The subpoena power granted by this section shall**  
42 **be exercised only at the specific written direction of the auditor or the auditor's chief**  
43 **deputy.**

44           **(2) If any person refuses to comply with a subpoena, the auditor shall seek to**  
45 **enforce the subpoena before a court of competent jurisdiction to require the attendance**  
46 **and testimony of witnesses and the production of books, papers, correspondence,**  
47 **memoranda, contracts, agreements, and other records. Such court may issue an order**  
48 **requiring such person to appear before the auditor or officers designated by the auditor**  
49 **to produce records or to give testimony relating to the matter under investigation or in**  
50 **question. Any failure to comply with such order of the court may be punished by such**  
51 **court as contempt.**

          29.250. [If any such officer or officers shall refuse] **1. Any person who willfully makes**  
2 **or causes to be made, to the state auditor or the auditor's designated representatives, any**  
3 **false, misleading, or unfounded report for the purpose of interfering with the performance**  
4 **of any audit, special review, or investigation, or to hinder or obstruct the auditor or the**  
5 **auditor's designated representatives in the performance of duties, shall be guilty of a class**  
6 **A misdemeanor.**

7           **2. Any person or entity affected by this chapter who shall refuse or fail to comply**  
8 **with the provisions of this chapter shall be deemed guilty of a class A misdemeanor.**  
9 **Refusing or failing to comply with the provisions of this chapter shall include but not be**  
10 **limited to any person or entity failing to submit their books, papers and concerns to the**  
11 **inspection of the state auditor, or any of [his] the auditor's examiners, or if anyone connected**  
12 **with the official duties of the state, county, institution, or political subdivision of the state, shall**

13 refuse to submit to be examined upon oath[, touching the officers of such county or political  
14 subdivision,] .

15 **3.** The state auditor shall report [the fact] **any violation of subsection 1 or 2 of this**  
16 **section** to the prosecuting attorney, who shall institute such action or proceedings against such  
17 [officer or officers] **person or entity** as [he] **the prosecutor** may deem proper.

29.260. [Nothing done in sections 29.010 to 29.360] **The provisions of this chapter**  
2 shall **not** preclude any officer or officers in charge of the offices and institutions mentioned in  
3 [said sections] **this chapter** from having proper recourse in the courts of law in this state.

[21.760.] **29.351.** 1. During the regular legislative session which convenes in an odd-  
2 numbered year, the general assembly shall, by concurrent resolution, employ an independent  
3 certified public accountant or certified public accounting firm to conduct an audit examination  
4 of the accounts, functions, programs, and management of the state auditor's office. The audit  
5 examination shall be made in accordance with generally accepted auditing standards, including  
6 such reviews and inspections of books, records and other underlying data and documents as are  
7 necessary to enable the independent certified public accountant performing the audit to reach an  
8 informed opinion on the condition and performance of the accounts, functions, programs, and  
9 management of the state auditor's office. Upon completion of the audit, the independent certified  
10 public accountant shall make a written report of his findings and conclusions, and shall supply  
11 each member of the general assembly, the governor, and the state auditor with a copy of the  
12 report. The cost of the audit and report shall be paid out of the joint contingent fund of the  
13 general assembly.

14 2. The commissioner of administration shall bid these services, at the direction of the  
15 general assembly, pursuant to state purchasing laws.

**33.087. 1. Every department and division of the state that receives any grant of**  
2 **federal funds of one million dollars or more shall document and make the following**  
3 **information easily available to the public on the Missouri accountability portal established**  
4 **in section 37.850:**

- 5 (1) **Any amount of funds it receives from the federal government;**
- 6 (2) **The name of the federal agency disbursing the funds;**
- 7 (3) **The purpose for which the funds are being received;**
- 8 (4) **The name of any state agency to which any portion of the funds are transferred**  
9 **by the initial receiving department or division, the amount transferred, and the purpose**  
10 **for which those funds are transferred; and**
- 11 (5) **The information provided to the department or division pursuant to subsection**  
12 **2 of this section.**

13           **2. If a department or division receives a grant of federal funds and transfers a**  
14 **portion of such funds to another department or division, the department or division**  
15 **receiving the transferred funds shall report to the department or division from which the**  
16 **funds were transferred, an accounting of how the transferred funds were used and any**  
17 **statistical impact that can be discerned as a result of such usage.**

18           **3. All information referred to in subsection 1 of this section shall be updated within**  
19 **thirty days of any receipt or transferal of funds.**

20           **4. The office of administration shall promulgate rules to implement the provisions**  
21 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010 that**  
22 **is created under the authority delegated in this section shall become effective only if it**  
23 **complies with and is subject to all of the provisions of chapter 536, and, if applicable,**  
24 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**  
25 **vested with the general assembly pursuant to chapter 536, to review, to delay the effective**  
26 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**  
27 **grant of rulemaking authority and any rule proposed or adopted after the effective date**  
28 **of this act, shall be invalid and void.**

33.300. The governor, lieutenant governor, attorney general, [state auditor,] state  
2 treasurer, and commissioner of administration constitute the board of fund commissioners, of  
3 which the governor is president and the state treasurer, secretary. The board shall direct the  
4 payment of interest on the state debt, the redemption, issue and cancellation of bonds of the state,  
5 and perform all acts required of it by law.

37.850. 1. The commissioner of administration shall maintain the Missouri  
2 accountability portal established in executive order 07-24 as a free, Internet-based tool allowing  
3 citizens to demand fiscal discipline and responsibility.

4           **2. The Missouri accountability portal shall consist of an easy-to-search database of**  
5 **financial transactions related to the purchase of goods and services and the distribution of funds**  
6 **for state programs; all bonds issued by any public institution of higher education or political**  
7 **subdivision of this state or its designated authority after August 28, 2013, all obligations**  
8 **issued or incurred pursuant to section 99.820 by any political subdivision of this state or**  
9 **its designated authority, and the revenue stream pledged to repay such bonds or**  
10 **obligations; and all debt incurred by any public charter school.**

11           **3. The Missouri accountability portal shall be updated each state business day and**  
12 **maintained as the primary source of information about the activity of Missouri's government.**

13           **4. Upon the conducting of a withholding or a release of funds, the governor shall**  
14 **submit a report stating all amounts withheld from the state's operating budget for the**

15 **current fiscal year, as authorized by article IV, section 27 of the Missouri Constitution**  
16 **which shall be:**

17 **(1) Conspicuously posted on the accountability portal website;**

18 **(2) Searchable by the amounts withheld or released from each individual fund; and**

19 **(3) Searchable by the total amount withheld or released from the operating budget.**

20 **5. Every political subdivision of the state, including public institutions of higher**  
21 **education but excluding school districts, shall supply all information described in**  
22 **subsection 2 of this section to the office of administration within seven days of issuing or**  
23 **incurring such corresponding bond or obligation. For all such bonds or obligations issued**  
24 **or incurred prior to the effective date of this act, every such political subdivision and**  
25 **public institution of higher education shall have ninety days to supply such information to**  
26 **the office of administration.**

27 **6. Every school district and public charter school shall supply all information**  
28 **described in subsection 2 of this section to the department of elementary and secondary**  
29 **education within seven days of issuing such bond, or incurring such debt. The department**  
30 **of elementary and secondary education shall have forty-eight hours to deliver such**  
31 **information to the office of administration. For all such bonds issued or debt incurred**  
32 **prior to the effective date of this act, every school district and public charter school shall**  
33 **have ninety days to supply such information to the department of elementary and**  
34 **secondary education. The department of elementary and secondary education shall have**  
35 **forty-eight hours to deliver such information to the office of administration.**

50.055. The accounts of [counties] **any county** of the second class, **or the accounts of**  
2 **any officer or office of such county**, may be audited **at any time**, if the county commission  
3 determines such an audit desirable or necessary, [every odd-numbered year within six months  
4 after the determination of the preceding fiscal year,] either by a certified public accountant  
5 employed by the county commission or by the state auditor, as the county commission may  
6 determine. If the audit is to be made by the state auditor, the state auditor shall be requested by  
7 the county commission to make the audit, as provided by law. **Unless the audit is requested**  
8 **for a particular officer or office**, the audit [herein provided shall] **may** also review the records  
9 of the receipts and disbursements and the property inventory of every officer or office of the  
10 county which receives or disburses money on behalf of the county or which holds property  
11 belonging to the county. Upon the completion of the investigation, the certified public  
12 accountant or the state auditor, as the case may be, shall render a report to the county commission  
13 [together with a statement showing, under appropriate classifications, the receipts and  
14 disbursements of the county during the period of the audit. The first audit, as provided by this  
15 section, may be made following the fiscal year of 1946, and such audit may be made every two

16 years thereafter]. The county commission shall provide for the expense of such audit if made  
17 by a certified public accountant employed by the county commission. **For audits performed**  
18 **by the state auditor, all expenses incurred in performing the audit, including salaries of**  
19 **auditors, examiners, clerks, and other employees of the state auditor, shall be paid by the**  
20 **county or county commission and the monies are to be deposited in the petition audit**  
21 **revolving trust fund pursuant to section 29.230.**

50.057. The accounts of any county of the first class not having a charter form of  
2 government, or the accounts of any officer or office of such county, may be audited at any time,  
3 if the county commission determines such an audit desirable or necessary, either by a certified  
4 public accountant employed by the county commission or by the state auditor, as the county  
5 commission may determine. If the audit is to be made by the state auditor, the state auditor shall  
6 be requested by the county commission to make the audit, as provided by law. Unless the audit  
7 is requested only for a particular officer or office, the audit shall also review the records of the  
8 receipts and disbursements and the property inventory of every officer or office of the county  
9 which receives or disburses money on behalf of the county or which holds property belonging  
10 to the county. Upon completion of the investigation, the certified public accountant or the state  
11 auditor, as the case may be, shall render a report to the county commission together with a  
12 statement showing under appropriate classifications the receipts and disbursements of the county  
13 or of the particular officer or office of the county for which the audit was requested, as the case  
14 may be, during the period covered by the audit. **For audits performed by the state auditor,**  
15 **all expenses incurred in performing the audit, including salaries of auditors, examiners,**  
16 **clerks, and other employees of the state auditor, shall be paid by the county or county**  
17 **commission and the monies are to be deposited in the petition audit revolving trust fund**  
18 **pursuant to section 29.230.**

50.622. 1. Any county may amend the annual budget during any fiscal year in which the  
2 county receives additional funds, and such amount or source, including but not limited to, federal  
3 or state grants or private donations, could not be estimated when the budget was adopted. The  
4 county shall follow the same procedures as required in sections 50.525 to 50.745 for adoption  
5 of the annual budget to amend its budget during a fiscal year.

6 **2. Any county may decrease the annual budget twice during any fiscal year in**  
7 **which the county experiences a verifiable decline in funds of two percent or more, and such**  
8 **amount could not be estimated or anticipated when the budget was adopted, provided that**  
9 **any decrease in appropriations shall not unduly affect any one officeholder. Before any**  
10 **reduction affecting an independently elected officeholder can occur, negotiations shall take**  
11 **place with all officeholders who receive funds from the affected category of funds in an**  
12 **attempt to cover the shortfall. The county shall follow the same procedures as required in**

13 **sections 50.525 to 50.745 to decrease the annual budget, except that the notice provided for**  
14 **in section 50.600 shall be extended to thirty days for purposes of this subsection. Such**  
15 **notice shall include a published summary of the proposed reductions and an explanation**  
16 **of the shortfall.**

17 **3. Any decrease in an appropriation authorized under subsection 2 of this section**  
18 **shall not impact any dedicated fund otherwise provided by law.**

19 **4. County commissioners may reduce budgets of departments under their direct**  
20 **supervision and responsibility at any time without the restrictions imposed by this section.**

21 **5. Subsections 2, 3, and 4 of this section shall expire on July 1, 2016.**

22 **6. Notwithstanding the provisions of this section, no charter county shall be**  
23 **restricted from amending its budget pursuant to the terms of its charter.**

50.1030. 1. The general administration and the responsibility for the proper operation  
2 of the fund and the system and the investment of the funds of the system are vested in a board  
3 of directors of eleven persons. Nine directors shall be elected by a secret ballot vote of the  
4 county employee members of this state. Two directors, who have no beneficiary interest in the  
5 system, shall be appointed by the governor with the advice and consent of the senate. No more  
6 than one director at any one time shall be employed by the same elected county office. Directors  
7 shall be chosen for terms of four years from the first day of January next following their election.  
8 It shall be the responsibility of the board to establish procedures for the conduct of future  
9 elections of directors and such procedures shall be approved by a majority vote by secret ballot  
10 by members of the system. The board shall have all powers and duties that are necessary and  
11 proper to enable it, its officers, employees and agents to fully and effectively carry out all the  
12 purposes of sections 50.1000 to 50.1300.

13 2. The board of directors shall elect one of their number as chairman and one of their  
14 number as vice chairman and may employ an administrator who shall serve as secretary to the  
15 board. The board shall hold regular meetings at least once each quarter. Board meetings shall  
16 be held in Jefferson City. Other meetings may be called as necessary by the chairman. Notice  
17 of such meetings shall be given in accordance with chapter 610.

18 3. The board of directors shall retain an actuary as technical advisor to the board.

19 4. The board of directors shall retain investment counsel to be an investment advisor to  
20 the board.

21 5. The [state auditor] **board** shall [provide for biennial] **arrange for annual** audits of  
22 the Missouri county employees' retirement system and the operations of the board[, to be paid  
23 for out of the funds of the system] **by a certified public accountant or by a firm of certified**  
24 **public accountants.**

25           6. The board of directors shall serve without compensation for their services, but each  
26 director shall be paid out of the funds of the system for any actual and necessary expenses  
27 incurred in the performance of duties authorized by the board.

28           7. The board of directors shall be allowed administrative costs for the operation of the  
29 system to be paid out of the funds of the system.

30           8. The board shall keep a record of its proceedings which shall be open to public  
31 inspection. It shall annually prepare a report showing the financial condition of the system. The  
32 report shall contain, but not be limited to, an auditor's opinion, financial statements prepared in  
33 accordance with generally accepted accounting principles, an actuary's certification along with  
34 actuarial assumptions and financial solvency tests.

35           9. The board shall conduct an annual review, to determine if, among other things, the  
36 following actions are actuarially feasible:

37           (1) An adjustment to the formula described in section 50.1060, subject to the limitations  
38 of subsection 4 of section 50.1060;

39           (2) An adjustment in the flat dollar pension benefit credit described in subsection 1 of  
40 section 50.1060;

41           (3) The cost-of-living increase as described in section 50.1070;

42           (4) An adjustment in the matching contribution described in section 50.1230;

43           (5) An adjustment in the twenty-five year service cap on creditable service;

44           (6) An adjustment to the target replacement ratio; or

45           (7) An additional benefit or enhancement which will improve the quality of life of future  
46 retirees. Based upon the findings of the actuarial review, the board may vote to change none,  
47 one, or more than one of the above items, subject to the actuarial guidelines outlined in section  
48 50.1031.

56.809. 1. The general administration and the responsibility for the proper operation of  
2 the fund are vested in a board of trustees of five persons. Trustees shall be elected by a secret  
3 ballot vote of the prosecuting attorneys and circuit attorneys of this state. Trustees shall be  
4 chosen for terms of four years from the first day of January next following their election except  
5 that the members of the first board shall be appointed by the governor by and with the consent  
6 of the senate after notification in writing, respectively, by the prosecuting attorneys and circuit  
7 attorneys of eighty percent of the counties in the state, including a city not within a county, that  
8 the prosecuting attorney or circuit attorney has elected to come under the provisions of sections  
9 56.800 to 56.840. It shall be the responsibility of the initial board to establish procedures for the  
10 conduct of future elections of trustees and such procedures shall be approved by a majority vote  
11 by secret ballot of the prosecuting attorneys and circuit attorneys in this state. The board shall

12 have all powers and duties that are necessary and proper to enable it, its officers, employees and  
13 agents to fully and effectively carry out all the purposes of sections 56.800 to 56.840.

14         2. The board of trustees shall elect one of their number as chairman and one of their  
15 number as vice chairman and may employ an administrator who shall serve as executive  
16 secretary to the board. The Missouri office of prosecution services, sections 56.750 to 56.775,  
17 may, in the discretion of the board of trustees, act as administrative employees to carry out all  
18 of the purposes of sections 56.800 to 56.840. In addition, the board of trustees may appoint such  
19 other employees as may be required. The board shall hold regular meetings at least once each  
20 quarter. Other meetings may be called as necessary by the chairman or by any three members  
21 of the board. Notice of such meetings shall be given in accordance with chapter 610.

22         3. The board of trustees shall appoint an actuary or firm of actuaries as technical advisor  
23 to the board of trustees.

24         4. The board of trustees shall retain investment advisors to be investment advisors to the  
25 board.

26         5. The board of trustees may retain legal counsel to advise the board and represent the  
27 system in legal proceedings.

28         6. The board shall arrange for annual audits of the records and accounts of the system  
29 by a certified public accountant or by a firm of certified public accountants. [The state auditor  
30 shall examine such audits at least once every three years and report to the board of trustees and  
31 to the governor.]

32         7. The board of trustees shall serve without compensation for their services as such;  
33 except that each trustee shall be paid from the system's funds for any necessary expenses incurred  
34 in the performance of duties authorized by the board.

35         8. The board of trustees shall be authorized to appropriate funds from the system for  
36 administrative costs in the operation of the system.

37         9. The board of trustees shall, from time to time, after receiving the advice of its actuary,  
38 adopt such mortality and other tables of experience, and a rate or rates of regular interest, as shall  
39 be necessary for the actuarial requirements of the system, and shall require its executive secretary  
40 to keep in convenient form such data as shall be necessary for actuarial investigations of the  
41 experience of the system, and such data as shall be necessary for the annual actuarial valuations  
42 of the system.

43         10. The board of trustees shall, after reasonable notice to all interested parties, hear and  
44 decide questions arising from the administration of sections 56.800 to [56.835] **56.840**; except  
45 that within thirty days after a decision or order, any member, retirant, beneficiary or political  
46 subdivision adversely affected by that determination or order may make an appeal under the  
47 provisions of chapter 536.

48           11. The board of trustees shall arrange for adequate surety bonds covering the executive  
49 secretary and any other custodian of funds or investments of the board. When approved by the  
50 board, such bonds shall be deposited in the office of the Missouri secretary of state.

51           12. Subject to the limitations of sections 56.800 to [56.835] **56.840**, the board of trustees  
52 shall formulate and adopt rules and regulations for the government of its own proceedings and  
53 for the administration of the retirement system.

54           13. The board of trustees shall be the trustees of the funds of the system. Subject to the  
55 provisions of any applicable federal or state laws, the board of trustees shall have full power to  
56 invest and reinvest the moneys of the system, and to hold, purchase, sell, assign, transfer or  
57 dispose of any of the securities and investments in which such moneys shall have been invested,  
58 as well as the proceeds of such investments and such moneys.

59           14. Notwithstanding any other provision of the law to the contrary, the board of trustees  
60 may delegate to its duly appointed investment advisors authority to act in place of the board of  
61 trustees in the investment and reinvestment of all or part of the moneys of the system, and may  
62 also delegate to such advisors the authority to act in place of the board of trustees in the holding,  
63 purchasing, selling, assigning, transferring or disposing of any or all of the securities and  
64 investments in which such moneys shall have been invested, as well as the proceeds of such  
65 investments and such moneys. Such investment counselor shall be registered as an investment  
66 advisor with the United States Securities and Exchange Commission. In exercising or delegating  
67 its investment powers and authority, members of the board of trustees shall exercise ordinary  
68 business care and prudence under the facts and circumstances prevailing at the time of the action  
69 or decision. In so doing, the board of trustees shall consider the long-term and short-term needs  
70 of the system in carrying out its purposes, the system's present and anticipated financial  
71 requirements, the expected total return on the system's investment, the general economic  
72 conditions, income, growth, long-term net appreciation, and probable safety of funds. No  
73 member of the board of trustees shall be liable for any action taken or omitted with respect to the  
74 exercise of or delegation of these powers and authority if such member shall have discharged the  
75 duties of his or her position in good faith and with that degree of diligence, care and skill which  
76 prudent men and women would ordinarily exercise under similar circumstances in a like  
77 position.

78           15. The board shall keep a record of its proceedings which shall be open to public  
79 inspection. It shall annually prepare a report showing the financial condition of the system. The  
80 report shall contain, but not be limited to, an auditor's opinion, financial statements prepared in  
81 accordance with generally accepted accounting principles, an actuary's certification along with  
82 actuarial assumptions and financial solvency tests.

70.605. 1. For the purpose of providing for the retirement or pensioning of the officers  
2 and employees and the widows and children of deceased officers and employees of any political  
3 subdivision of the state, there is hereby created and established a retirement system which shall  
4 be a body corporate, which shall be under the management of a board of trustees herein  
5 described, and shall be known as the "Missouri Local Government Employees' Retirement  
6 System". Such system may sue and be sued, transact business, invest funds, and hold cash,  
7 securities, and other property. All suits or proceedings directly or indirectly against the system  
8 shall be brought in Cole County. The system shall begin operations on the first day of the  
9 calendar month next following sixty days after the date the board of trustees has received  
10 certification from ten political subdivisions that they have elected to become employers.

11 2. The general administration and the responsibility for the proper operation of the  
12 system is vested in a board of trustees of seven persons: three persons to be elected as trustees  
13 by the members of the system; three persons to be elected trustees by the governing bodies of  
14 employers; and one person, to be appointed by the governor, who is not a member, retirant, or  
15 beneficiary of the system and who is not a member of the governing body of any political  
16 subdivision.

17 3. Trustees shall be chosen for terms of four years from the first day of January next  
18 following their election or appointment, except that of the first board shall all be appointed by  
19 the governor by and with the consent of the senate, as follows:

20 (1) Three persons who are officers or officials of political subdivisions, one for a term  
21 of three years, one for a term of two years, and one for a term of one year; and

22 (2) Three persons who are employees of political subdivisions and who would, if the  
23 subdivision by which they are employed becomes an employer, be eligible as members, one for  
24 a term of three years, one for a term of two years, and one for a term of one year; and

25 (3) That person appointed by the governor under the provisions of subsection 2 of this  
26 section. All the members of the first board shall take office as soon as appointed by the  
27 governor, but their terms shall be computed from the first day of January next following their  
28 appointment, and only one member may be from any political subdivision or be a policeman or  
29 fireman.

30 4. Successor trustees elected or appointed as member trustees shall be members of the  
31 retirement system; provided, that not more than one member trustee shall be employed by any  
32 one employer, and not more than one member trustee shall be a policeman, and not more than  
33 one member trustee shall be a fireman.

34 5. Successor trustees elected as employer trustees shall be elected or appointed officials  
35 of employers and shall not be members of the retirement system; provided, that not more than  
36 one employer trustee shall be from any one employer.

37           6. An annual meeting of the retirement system shall be called by the board in the last  
38 calendar quarter of each year in Jefferson City, or at such place as the board shall determine, for  
39 the purpose of electing trustees and to transact such other business as may be required for the  
40 proper operation of the system. Notice of such meeting shall be sent by registered mail to the  
41 clerk or secretary of each employer not less than thirty days prior to the date of such meeting.  
42 The governing body of each employer shall certify to the board the name of one delegate who  
43 shall be an officer of the employer, and the members of the employer shall certify to the board  
44 a member of the employer to represent such employer at such meeting. The delegate certified  
45 as member delegate shall be elected by secret ballot by the members of such employer, and the  
46 clerk or secretary of each employer shall be charged with the duty of conducting such election  
47 in a manner which will permit each member to vote in such election. Under such rules and  
48 regulations as the board shall adopt, approved by the delegates, the member delegates shall elect  
49 a member trustee for each such position on the board to be filled, and the officer delegates shall  
50 elect an employer trustee for each such position on the board to be filled.

51           7. In the event any member trustee ceases to be a member of the retirement system, or  
52 any employer trustee ceases to be an appointed or elected official of an employer, or becomes  
53 a member of the retirement system, or if the trustee appointed by the governor becomes a  
54 member of the retirement system or an elected or appointed official of a political subdivision,  
55 or if any trustee fails to attend three consecutive meetings of the board, unless in each case  
56 excused for cause by the remaining trustees attending such meeting or meetings, he or she shall  
57 be considered as having resigned from the board and the board shall, by resolution, declare his  
58 or her office of trustee vacated. If a vacancy occurs in the office of trustee, the vacancy shall be  
59 filled for the unexpired term in the same manner as the office was previously filled; provided,  
60 however, that the remaining trustees may fill employer and member trustee vacancies on the  
61 board until the next annual meeting.

62           8. Each trustee shall be commissioned by the governor, and before entering upon the  
63 duties of his office, shall take and subscribe to an oath or affirmation to support the Constitution  
64 of the United States, and of the state of Missouri, and to demean himself faithfully in his or her  
65 office. Such oath as subscribed to shall be filed in the office of the secretary of state of this state.

66           9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be  
67 necessary for a decision by the trustees at any meeting of the board of trustees. Four trustees, of  
68 whom at least two shall be member trustees and at least two shall be employer trustees, shall  
69 constitute a quorum at any meeting of the board. Unless otherwise expressly provided herein,  
70 a meeting need not be called or held to make any decision on a matter before the board. Each  
71 member must be sent by the executive secretary a copy of the matter to be decided with full  
72 information from the files of the board. The concurring decisions of four trustees may decide

73 the issue by signing a document declaring their decision and sending the written instrument to  
74 the executive secretary, provided that no other trustee shall send a dissenting decision to the  
75 executive secretary within fifteen days after the document and information was mailed to him  
76 or her. If any trustee is not in agreement with the four trustees, the matter is to be passed on at  
77 a regular board meeting or a special meeting called for that purpose. The board shall hold  
78 regular meetings at least once each quarter, the dates of these meetings to be designated in the  
79 rules and regulations adopted by the board. Other meetings as deemed necessary may be called  
80 by the chairman or by any four trustees acting jointly.

81 10. The board of trustees shall elect one of their number as chairman, and one of their  
82 number as vice chairman, and shall employ an executive secretary, not one of their number, who  
83 shall be the executive officer of the board. Other employees of the board shall be chosen only  
84 upon the recommendation of the executive secretary.

85 11. The board shall appoint an actuary or a firm of actuaries as technical advisor to the  
86 board on matters regarding the operation of the system on an actuarial basis. The actuary or  
87 actuaries shall perform such duties as are required of him or her under sections 70.600 to 70.755,  
88 and as are from time to time required by the board.

89 12. The board may appoint an attorney-at-law or firm of attorneys-at-law to be the legal  
90 advisor of the board and to represent the board in all legal proceedings.

91 13. The board may appoint an investment counselor to be the investment advisor of the  
92 board.

93 14. The board shall from time to time, after receiving the advice of its actuary, adopt  
94 such mortality and other tables of experience, and a rate or rates of regular interest, as shall be  
95 necessary for the actuarial requirements of the system, and shall require its executive secretary  
96 to keep in convenient form such data as shall be necessary for actuarial investigations of the  
97 experience of the system, and such data as shall be necessary for the annual actuarial valuations  
98 of the system.

99 15. The board shall keep a record of its proceedings, which shall be open to public  
100 inspection. It shall prepare annually and render to each employer a report showing the financial  
101 condition of the system as of the preceding June thirtieth. The report shall contain, but shall not  
102 be limited to, a financial balance sheet; a statement of income and disbursements; a detailed  
103 statement of investments acquired and disposed of during the year, together with a detailed  
104 statement of the annual rates of investment income from all assets and from each type of  
105 investment; an actuarial balance sheet prepared by means of the last valuation of the system, and  
106 such other data as the board shall deem necessary or desirable for a proper understanding of the  
107 condition of the system.

108           16. The board of trustees shall, after reasonable notice to all interested parties, conduct  
109 administrative hearings to hear and decide questions arising from the administration of sections  
110 70.600 to 70.755; except, that such hearings may be conducted by a hearing officer who shall be  
111 appointed by the board. The hearing officer shall preside at the hearing and hear all evidence and  
112 rule on the admissibility of evidence. The hearing officer shall make recommended findings of  
113 fact and may make recommended conclusions of law to the board. All final orders or  
114 determinations or other final actions by the board shall be approved in writing by at least four  
115 members of the board. Any board member approving in writing any final order, determination  
116 or other final action, who did not attend the hearing, shall do so only after certifying that he or  
117 she reviewed all exhibits and read the entire transcript of the hearing. Within thirty days after  
118 a decision or order or final action of the board, any member, retirant, beneficiary or political  
119 subdivision adversely affected by that determination or order or final action may take an appeal  
120 under the provisions of chapter 536. Jurisdiction over any dispute regarding the interpretation  
121 of sections 70.600 to 70.755 and the determinations required thereunder shall lie in the circuit  
122 court of Cole County.

123           17. The board shall arrange for adequate surety bonds covering the executive secretary  
124 and any other custodian of the funds or investments of the board. When approved by the board,  
125 said bonds shall be deposited in the office of the secretary of state.

126           18. The board shall arrange for annual audits of the records and accounts of the system  
127 by a certified public accountant or by a firm of certified public accountants. [The state auditor  
128 shall examine such audits at least once every three years and report to the board and the  
129 governor.]

130           19. The headquarters of the retirement system shall be in Jefferson City.

131           20. The board of trustees shall serve as trustees without compensation for their services  
132 as such; except that each trustee shall be paid for any necessary expenses incurred in attending  
133 meetings of the board or in the performance of other duties authorized by the board.

134           21. Subject to the limitations of sections 70.600 to 70.755, the board shall formulate and  
135 adopt rules and regulations for the government of its own proceedings and for the administration  
136 of the retirement system.

          86.200. The following words and phrases as used in sections 86.200 to 86.366, unless  
2 a different meaning is plainly required by the context, shall have the following meanings:

3           (1) “Accumulated contributions”, the sum of all mandatory contributions deducted from  
4 the compensation of a member and credited to the member's individual account, together with  
5 members' interest thereon;

6           (2) “Actuarial equivalent”, a benefit of equal value when computed upon the basis of  
7 mortality tables and interest assumptions adopted by the board of trustees;

8 (3) "Average final compensation":

9 (a) With respect to a member who earns no creditable service on or after October 1,  
10 2001, the average earnable compensation of the member during the member's last three years of  
11 creditable service as a police officer, or if the member has had less than three years of creditable  
12 service, the average earnable compensation of the member's entire period of creditable service;

13 (b) With respect to a member who is not participating in the DROP pursuant to section  
14 86.251 on October 1, 2001, who did not participate in the DROP at any time before such date,  
15 and who earns any creditable service on or after October 1, 2001, the average earnable  
16 compensation of the member during the member's last two years of creditable service as a  
17 policeman, or if the member has had less than two years of creditable service, then the average  
18 earnable compensation of the member's entire period of creditable service;

19 (c) With respect to a member who is participating in the DROP pursuant to section  
20 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns  
21 to active participation in the system pursuant to section 86.251, and who terminates employment  
22 as a police officer for reasons other than death or disability before earning at least two years of  
23 creditable service after such return, the portion of the member's benefit attributable to creditable  
24 service earned before DROP entry shall be determined using average final compensation as  
25 defined in paragraph (a) of this subdivision; and the portion of the member's benefit attributable  
26 to creditable service earned after return to active participation in the system shall be determined  
27 using average final compensation as defined in paragraph (b) of this subdivision;

28 (d) With respect to a member who is participating in the DROP pursuant to section  
29 86.251 on October 1, 2001, or whose participation in the DROP ended before such date, who  
30 returns to active participation in the system pursuant to section 86.251, and who terminates  
31 employment as a police officer after earning at least two years of creditable service after such  
32 return, the member's benefit attributable to all of such member's creditable service shall be  
33 determined using the member's average final compensation as defined in paragraph (b) of this  
34 subdivision;

35 (e) With respect to a member who is participating in the DROP pursuant to section  
36 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns  
37 to active participation in the system pursuant to section 86.251, and whose employment as a  
38 police officer terminates due to death or disability after such return, the member's benefit  
39 attributable to all of such member's creditable service shall be determined using the member's  
40 average final compensation as defined in paragraph (b) of this subdivision; and

41 (f) With respect to the surviving spouse or surviving dependent child of a member who  
42 earns any creditable service on or after October 1, 2001, the average earnable compensation of  
43 the member during the member's last two years of creditable service as a police officer or, if the

44 member has had less than two years of creditable service, the average earnable compensation of  
45 the member's entire period of creditable service;

46 (4) "Beneficiary", any person in receipt of a retirement allowance or other benefit;

47 (5) "Board of police commissioners", any board of police commissioners, police  
48 commissioners and any other officials or boards now or hereafter authorized by law to employ  
49 and manage a permanent police force in such cities;

50 (6) "Board of trustees", the board provided in sections 86.200 to 86.366 to administer  
51 the retirement system;

52 (7) "Creditable service", prior service plus membership service as provided in sections  
53 86.200 to 86.366;

54 (8) "DROP", the deferred retirement option plan provided for in section 86.251;

55 (9) "Earnable compensation", the annual salary **established under section 84.160** which  
56 a member would earn during one year on the basis of the member's rank or position [as specified  
57 in the applicable salary matrix] plus any additional compensation for academic work and shift  
58 differential that may be provided by any official or board now or hereafter authorized by law to  
59 employ and manage a permanent police force in such cities. Such amount shall include the  
60 member's deferrals to a deferred compensation plan pursuant to Section 457 of the Internal  
61 Revenue Code or to a cafeteria plan pursuant to Section 125 of the Internal Revenue Code or,  
62 effective October 1, 2001, to a transportation fringe benefit program pursuant to Section  
63 132(f)(4) of the Internal Revenue Code. Earnable compensation shall not include a member's  
64 additional compensation for overtime, standby time, court time, nonuniform time or unused  
65 vacation time. Notwithstanding the foregoing, the earnable compensation taken into account  
66 under the plan established pursuant to sections 86.200 to 86.366 with respect to a member who  
67 is a noneligible participant, as defined in this subdivision, for any plan year beginning on or after  
68 October 1, 1996, shall not exceed the amount of compensation that may be taken into account  
69 under Section 401(a)(17) of the Internal Revenue Code, as adjusted for increases in the cost of  
70 living, for such plan year. For purposes of this subdivision, a "noneligible participant" is an  
71 individual who first becomes a member on or after the first day of the first plan year beginning  
72 after the earlier of:

73 (a) The last day of the plan year that includes August 28, 1995; or

74 (b) December 31, 1995;

75 (10) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as amended;

76 (11) "Mandatory contributions", the contributions required to be deducted from the  
77 salary of each member who is not participating in DROP in accordance with section 86.320;

78 (12) "**Medical board**", **the board of three physicians of different disciplines**  
79 **appointed by the trustees of the police retirement board and responsible for arranging and**

80 **passing upon all medical examinations required under the provisions of sections 86.200 to**  
81 **86.366, which board shall investigate all essential statements and certificates made by or**  
82 **on behalf of a member in connection with an application for disability retirement and shall**  
83 **report in writing to the board of trustees its conclusions and recommendations, which can**  
84 **be based upon the opinion of a single member or that of an outside specialist if one is**  
85 **appointed, upon all the matters referred to such medical board;**

86 (13) “Member”, a member of the retirement system as defined by sections 86.200 to  
87 86.366;

88 [(13)] (14) “Members' interest”, interest on accumulated contributions at such rate as  
89 may be set from time to time by the board of trustees;

90 [(14)] (15) “Membership service”, service as a policeman rendered since last becoming  
91 a member, except in the case of a member who has served in the armed forces of the United  
92 States and has subsequently been reinstated as a policeman, in which case “membership service”  
93 means service as a policeman rendered since last becoming a member prior to entering such  
94 armed service;

95 [(15)] (16) “Plan year” or “limitation year”, the twelve consecutive-month period  
96 beginning each October first and ending each September thirtieth;

97 [(16)] (17) “Policeman” or “police officer”, any member of the police force of such cities  
98 who holds a rank in such police force;

99 [(17)] (18) “Prior service”, all service as a policeman rendered prior to the date the  
100 system becomes operative or prior to membership service which is creditable in accordance with  
101 the provisions of sections 86.200 to 86.366;

102 [(18)] (19) “Reserve officer”, any member of the police reserve force of such cities,  
103 armed or unarmed, who works less than full time, without compensation, and who, by his or her  
104 assigned function or as implied by his or her uniform, performs duties associated with those of  
105 a police officer and who currently receives a service retirement as provided by sections 86.200  
106 to 86.366;

107 [(19)] (20) “Retirement allowance”, annual payments for life as provided by sections  
108 86.200 to 86.366 which shall be payable in equal monthly installments or any benefits in lieu  
109 thereof granted to a member upon termination of employment as a police officer and actual  
110 retirement;

111 [(20)] (21) “Retirement system”, the police retirement system of the cities as defined in  
112 sections 86.200 to 86.366;

113 [(21)] (22) “Surviving spouse”, the surviving spouse of a member who was the member's  
114 spouse at the time of the member's death.

86.257. 1. Upon the application of [a member in service or of] the board of police  
2 commissioners **or any successor body**, any member who has completed ten or more years of  
3 creditable service **or upon the police retirement system created by sections 86.200 to 86.366**  
4 **first attaining, after the effective date of this act, a funded ratio, as defined in section**  
5 **105.660 and as determined by the system's annual actuarial valuation, of at least eighty**  
6 **percent, a member who has completed five or more years of creditable service** and who has  
7 become permanently unable to perform the duties of a police officer as the result of an injury or  
8 illness not exclusively caused or induced by the actual performance of his or her official duties  
9 or by his or her own negligence shall be retired by the board of [trustees of the police retirement  
10 system] **police commissioners or any successor body** upon certification by the medical  
11 [director] **board** of the police retirement system and approval by the board of trustees of the  
12 police retirement system that the member is mentally or physically unable to perform the duties  
13 of a police officer, that the inability is permanent or likely to become permanent, and that the  
14 member should be retired.

15 2. Once each year during the first five years following such member's retirement, and at  
16 least once in every three-year period thereafter, the board of trustees may, and upon the member's  
17 application shall, require any nonduty disability beneficiary who has not yet attained sixty years  
18 of age to undergo a medical examination at a place designated by the medical [director] **board**  
19 or such physicians as the medical [director] **board** appoints. If any nonduty disability  
20 beneficiary who has not attained sixty years of age refuses to submit to a medical examination,  
21 his or her nonduty disability pension may be discontinued until his or her withdrawal of such  
22 refusal, and if his or her refusal continues for one year, all rights in and to such pension may be  
23 revoked by the board of trustees.

24 3. If the medical [director] **board** certifies to the board of trustees that a nonduty  
25 disability beneficiary is able to perform the duties of a police officer, and if the board of trustees  
26 concurs on the report, then such beneficiary's nonduty disability pension shall cease.

27 4. If upon cessation of a disability pension under subsection 3 of this section, the former  
28 disability beneficiary is restored to active service, he or she shall again become a member, and  
29 he or she shall contribute thereafter at the same rate as other members. Upon his or her  
30 subsequent retirement, he or she shall be credited with all of his or her active retirement, but not  
31 including any time during which the former disability beneficiary received a disability pension  
32 under this section.

86.263. 1. Any member **in active service** who is permanently unable to perform the **full**  
2 **and unrestricted** duties of a police officer as the natural, proximate, and exclusive result of an  
3 accident occurring within the actual performance of duty at some definite time and place, through  
4 no negligence on the member's part, shall[, upon application,] be retired **by the board of police**

5 **commissioners or any successor body** upon certification by [the medical director of the police  
6 retirement system and approval by the board of trustees of the police retirement system] **one or**  
7 **more physicians of the medical board** that the member is mentally or physically unable to  
8 perform the **full and unrestricted** duties of a police officer [and] , that the inability is permanent  
9 or [reasonably] likely to become permanent, **and that the member should be retired. The**  
10 **inability to perform the “full and unrestricted duties of a police officer” means the member**  
11 **is unable to perform all the essential job functions for the position of police officer as**  
12 **established by the board of police commissioners or any successor body.**

13 2. No member shall be approved for retirement under the provisions of subsection 1 of  
14 this section unless the application was made and submitted to the board of [trustees of the police  
15 retirement system] **police commissioners or any successor body** no later than five years  
16 following the date of accident, provided, that if the accident was reported within five years of the  
17 date of the accident and an examination made of the member within thirty days of the date of  
18 accident by a health care provider whose services were provided through the board of police  
19 commissioners with subsequent examinations made as requested, then an application made more  
20 than five years following the date of the accident shall be considered timely.

21 3. Once each year during the first five years following a member's retirement, and at least  
22 once in every three-year period thereafter, the board of trustees may require any disability  
23 beneficiary who has not yet attained sixty years of age to undergo a medical examination or  
24 medical examinations at a place designated by the medical [director] **board** or such physicians  
25 as the medical [director] **board** appoints. If any disability beneficiary who has not attained sixty  
26 years of age refuses to submit to a medical examination, his or her disability pension may be  
27 discontinued **by the board of trustees of the police retirement system** until his or her  
28 withdrawal of such refusal, and if his or her refusal continues for one year, all rights in and to  
29 such pension may be revoked by the board of trustees.

30 4. If the medical [director] **board** certifies to the board of trustees that a disability  
31 beneficiary is able to perform the duties of a police officer, [and if the board of trustees concurs  
32 with the medical director's determination,] then such beneficiary's disability pension shall cease.

33 5. If upon cessation of a disability pension under subsection 4 of this section, the former  
34 disability beneficiary is restored to active service, he or she shall again become a member, and  
35 he or she shall contribute thereafter at the same rate as other members. Upon his or her  
36 subsequent retirement, he or she shall be credited with all of his or her active service time as a  
37 member including the service time prior to receiving disability retirement, but not including any  
38 time during which the former disability beneficiary received a disability pension under this  
39 section.

40           6. If upon cessation of a disability pension under subsection 4 of this section, the former  
41 disability beneficiary is not restored to active service, such former disability beneficiary shall be  
42 entitled to the retirement benefit to which such former disability beneficiary would have been  
43 entitled if such former disability beneficiary had terminated service for any reason other than  
44 dishonesty or being convicted of a felony at the time of such cessation of such former disability  
45 beneficiary's disability pension. For purposes of such retirement benefits, such former disability  
46 beneficiary shall be credited with all of the former disability beneficiary's active service time as  
47 a member, but not including any time during which the former disability beneficiary received a  
48 disability beneficiary pension under this section.”

          86.900. The following words and phrases as used in sections 86.900 to 86.1280 shall  
2 have the following meanings unless a different meaning is plainly required by the context:

3           (1) "Accumulated contributions", the sum of all amounts deducted from the  
4 compensation of a member and paid to the retirement board, together with all amounts paid to  
5 the retirement board by a member or by a member's beneficiary, for the purchase of prior service  
6 credits or any other purpose permitted under sections 86.900 to 86.1280;

7           (2) "Actuarial cost", the present value of a future payment or series of payments as  
8 calculated by applying the actuarial assumptions established according to subsection 8 of section  
9 86.1270;

10          (3) "Beneficiary", any person entitled, either currently or conditionally, to receive  
11 pension or other benefits provided in sections 86.900 to 86.1280;

12          (4) "Board of police commissioners", the board composed of police commissioners  
13 authorized by law to employ and manage an organized police force in the cities;

14          (5) "City" or "cities", any city which now has or may hereafter have a population of more  
15 than three hundred thousand and less than seven hundred thousand inhabitants, or any city that  
16 has made an election under section 86.910 to continue a police retirement system maintained  
17 under sections 86.900 to 86.1280;

18          (6) "Compensation", the basic wage or salary paid a member for any period on the basis  
19 of the member's rank and position, excluding bonuses, overtime pay, expense allowances, and  
20 other extraordinary compensation; except that, notwithstanding such provision, compensation  
21 for any year for any member shall not exceed the amount permitted to be taken into account  
22 under Section 401(a)(17) of the Internal Revenue Code as applicable to such year;

23          (7) "Consultant", unless otherwise specifically defined, a person retained by the  
24 retirement system as a special consultant on the problems of retirement, aging and related matters  
25 who, upon request of the retirement board, shall give opinions and be available to give opinions  
26 in writing or orally in response to such requests, as may be needed by the board;

27 (8) "Creditable service", service qualifying as a determinant of a member's pension or  
28 other benefit under sections 86.900 to 86.1280 by meeting the requirements specified in said  
29 sections or section 105.691;

30 (9) "Final compensation":

31 **(a) For a Tier I member as described in subdivision (13) of this section**, the average  
32 annual compensation of a member during the member's service if less than two years, or the  
33 twenty-four months of service for which the member received the highest salary whether  
34 consecutive or otherwise. In computing the average annual compensation of a member, [no  
35 compensation for service after the thirtieth full year of membership service shall be included.]  
36 **compensation shall only be included for the periods in which the member made**  
37 **contributions as provided under section 86.1010 except as provided in subsection 3 of**  
38 **section 86.110;**

39 **(b) For a Tier II member as described in subdivision (13) of this section**, the  
40 **average annual compensation of a member during the member's service if less than three**  
41 **years, or the thirty-six months of service for which the member received the highest salary**  
42 **whether consecutive or otherwise. In computing the average annual compensation of a**  
43 **member, compensation shall only be included for the periods in which the member made**  
44 **contributions as provided under section 86.1010 except as provided in subsection 3 of**  
45 **section 86.110;**

46 **(c) For any period of time when a member is paid on a frequency other than monthly**,  
47 **the member's salary for such period shall be deemed to be the monthly equivalent of the**  
48 **member's annual rate of compensation for such period;**

49 (10) "Fiscal year", for the retirement system, the fiscal year of the cities;

50 (11) "Internal Revenue Code", the United States Internal Revenue Code of 1986, as  
51 amended;

52 (12) "Medical board", not less than one nor more than three physicians appointed by the  
53 retirement board to arrange for and conduct medical examinations as directed by the retirement  
54 board;

55 (13) "Member", a member of the police retirement system as described in section  
56 86.1090[;] :

57 **(a) "Tier I member", any person who became a member prior to August 28, 2013,**  
58 **and who remains a member on August 28, 2013, shall remain a Tier I member until such**  
59 **member's membership is terminated as described in section 86.1130;**

60 **(b) "Tier I surviving spouse", the surviving spouse of a Tier I member;**

61 **(c) "Tier II member", any person who became a member on or after August 28,**  
62 **2013;**

63 (d) **"Tier II surviving spouse", the surviving spouse of a Tier II member;**

64 (e) **Any person whose membership is terminated as described in section 86.1130**  
65 **and who re-enters membership on or after August 28, 2013, shall become a member under**  
66 **paragraph (c) of this subdivision;**

67 (14) "Pension", annual payments for life, payable monthly, at the times described in  
68 section 86.1030;

69 (15) "Pension fund", the fund resulting from contributions made thereto by the cities  
70 affected by sections 86.900 to 86.1280 and by the members of the police retirement system;

71 (16) "Police officer", an officer or member of the police department of the cities  
72 employed for compensation by the boards of police commissioners of the cities for police duty  
73 who holds a rank or position for which an annual salary range is provided in section 84.480 or  
74 84.510; in case of dispute as to whether any person is a police officer qualified for membership  
75 in the retirement system, the decision of the board of police commissioners shall be final;

76 (17) "Retirement board" or "board", the board provided in section 86.920 to administer  
77 the retirement system;

78 (18) "Retirement system", the police retirement system of the cities as defined in section  
79 86.910;

80 (19) "Surviving spouse", when determining whether a person is entitled to benefits under  
81 sections 86.900 to 86.1280 by reason of surviving a member, shall include only:

82 (a) A person who was married to a member at the time of the member's death in the line  
83 of duty or from an occupational disease arising out of and in the course of the member's  
84 employment and who had not, after the member's death and prior to August 28, 2000, remarried;

85 (b) With respect to a member who retired or died prior to August 28, 1997, a spouse who  
86 survives such member, whose marriage to such member occurred at least two years before the  
87 member's retirement or at least two years before the member's death while in service, and who  
88 had not remarried anyone other than the member prior to August 28, 2000;

89 (c) With respect to a member who retired or died while in service after August 28, 1997,  
90 and before August 28, 2000, a spouse who survives such member, was married to such member  
91 at the time of such member's retirement or of such member's death while in service, and had not,  
92 after the member's death and prior to August 28, 2000, remarried; and

93 (d) With respect to a member who retires or dies in service after August 28, 2000, a  
94 spouse who survives a member and was married to such member at the time of such member's  
95 retirement or death while in service.

86.990. The retirement board shall before [January tenth] **October fifteenth** of each year  
2 certify to the chief financial officer of such city the amount to be paid by the city under the

3 retirement pension system for the succeeding fiscal year, as otherwise provided by sections  
4 86.900 to 86.1280.

86.1000. 1. The city shall contribute to the pension fund quarter-annually or at such  
2 lesser intervals as may be agreed upon by the city and the retirement board. Such contribution  
3 shall be in addition to and separate from the appropriations made by the city for the operation  
4 of the police department. For each fiscal year of the operation of the pension system, the city's  
5 contribution to the pension fund shall be a percentage of the compensation paid to members of  
6 the pension system from which a member's deduction has been made under section 86.1010. The  
7 city's contribution shall be [such percentage as shall be agreed upon by the board of police  
8 commissioners and the city, but in no event shall such contribution be less than twelve percent]  
9 **the total of the following amounts:**

10 **(1) Such amounts as may be necessary to meet the requirements for the annual**  
11 **actuarial required contributions as determined by a qualified professional actuary selected**  
12 **by the retirement board;**

13 **(2) An amount of two-hundred dollars per month for every member entitled to**  
14 **receive a supplemental benefit under section 86.1230 or section 86.1231.**

15

16 **Such total of said amounts shall be certified by the retirement board to the chief financial**  
17 **officer of said city as provided in section 86.990.**

18 2. On or before [the tenth day of January] **October fifteenth** of each year the retirement  
19 board shall certify to the board of police commissioners the amount of money that will [likely]  
20 be required to comply with the provisions of this section during the next succeeding fiscal year  
21 including administration expenses. The amounts so certified shall be included by the board of  
22 police commissioners in their annual budget estimate, and shall be appropriated by the cities and  
23 transferred to the pension fund during the ensuing fiscal year.

86.1010. **Except as provided in subsection 5 of section 86.1100**, the board of police  
2 commissioners shall cause to be deducted from the compensation of each member [until  
3 retirement] **who is accruing creditable service** a percentage of such member's compensation[,  
4 which shall not be less than six percent,] as determined by the retirement board, as such  
5 member's contribution to the pension fund. The sum so deducted shall be paid by the board of  
6 police commissioners promptly after each payroll to the retirement board to be credited to the  
7 member's account. Every member shall be deemed to consent to the deductions made and  
8 provided for herein. The board of police commissioners shall certify to the retirement board on  
9 every payroll the amount deducted, and such amounts shall be paid into the pension fund and  
10 shall be credited to the individual pension account of the member from whose compensation  
11 such deduction was made.

86.1030. 1. All benefits and all necessary administrative expenses of the retirement system shall be paid from the funds of the retirement system.

2. The base pension of a member who, after August 28, 2011, retires from or otherwise terminates active service with entitlement to a base pension under sections 86.900 to 86.1280 shall commence as of the first day of the month next following such retirement or termination with no proration of such pension for the month in which such retirement or termination occurs. The supplemental retirement benefits of a member who, after August 28, 2011, retires from or otherwise terminates active service with entitlement to a supplemental retirement benefit provided in subsection 1 of section 86.1230 **or as provided in section 86.1231** shall commence as of the first day of the month next following such retirement or termination with no proration of such supplemental retirement benefit for the month in which such retirement or termination occurs.

3. Upon the death of a member who is receiving a base pension under sections 86.900 to 86.1280 leaving a surviving spouse, as defined in section 86.900, entitled to benefits, payment of the member's base pension including all cost-of-living adjustments thereto, prorated for that portion of the month of such death in which such member was living, shall be made to such surviving spouse, and the benefit for which such spouse is entitled under section 86.1240 **or subdivision (1) of subsection 2 of section 86.1151** shall be prorated and paid to such spouse for the remainder of such month.

4. Upon the death of a member who is receiving a base pension under sections 86.900 to 86.1280 leaving no surviving spouse, as defined in section 86.900, entitled to benefits, payment of the member's base pension including all cost-of-living adjustments thereto, prorated for that portion of the month of such death in which such member was living, shall be made in equal shares to or for the benefit of the children, if any, of such member as are entitled to share in spousal benefits as described in subsection 2 of section 86.1250. If no such children shall survive such member, such prorated benefit for the month of such member's death shall be paid to the beneficiary named by such member in a writing filed with the retirement system prior to the member's death for the purpose of receiving such benefit. If no beneficiary is named, then no payment shall be made of such prorated benefit for the month of such member's death.

5. Upon the death of a surviving spouse who is receiving a base pension under section 86.1240 **or subdivision (1) of subsection 2 of section 86.1151**, payment of such spouse's base pension including all cost-of-living adjustments thereto, prorated for that portion of the month of such death in which such spouse was living, shall be made in equal shares to or for the benefit of the children, if any, of the member of whom such spouse is the surviving spouse as are entitled to share in spousal benefits described in subsection 2 of section 86.1250. If no such children shall survive such spouse, such prorated benefit for the month of such spouse's death shall be

37 paid to the beneficiary named by such surviving spouse in a writing filed with the retirement  
38 system prior to such spouse's death for the purpose of receiving such benefit. If no beneficiary  
39 is named, then no payment shall be made of such prorated benefit for the month of such spouse's  
40 death.

41           6. Upon the death of a **Tier I** member who is receiving a supplemental benefit under  
42 section 86.1230 **or upon the death of a Tier II member who is receiving a supplemental**  
43 **benefit under section 86.1231** and who leaves a surviving spouse, as defined in section 86.900,  
44 entitled to benefits, the entire supplemental benefit for the month of such death shall be paid to  
45 such surviving spouse without proration, and the surviving spouse shall receive no additional  
46 supplemental benefit for such month.

47           7. Upon the death of a **Tier I** member who is receiving a supplemental benefit under  
48 section 86.1230 **or upon the death of a Tier II member who is receiving a supplemental**  
49 **benefit under section 86.1231** and who leaves no surviving spouse, as defined in section  
50 86.900, entitled to benefits, or upon the death of a surviving spouse who is receiving a  
51 supplemental benefit under section 86.1230 **or section 86.1231**, such supplemental benefit shall  
52 terminate upon such death. No benefit shall be payable for any period after the most recent  
53 monthly payment of such benefit prior to such death.

54           8. Upon the death of a member in service who leaves a surviving spouse, as defined in  
55 section 86.900, entitled to benefits, the base pension of such surviving spouse shall commence  
56 as of the first day of the month next following such death with no proration of such pension for  
57 the month in which such death occurs.

58           9. Upon the death of a member in service who leaves no surviving spouse, as defined  
59 in section 86.900, entitled to benefits, any benefit payable to surviving children of such member  
60 under subsection 2 of section 86.1250 shall commence as of the first day of the month next  
61 following such death with no proration of such benefit for the month in which such death occurs.  
62 If there are no such surviving children entitled to such benefit, then such member's accumulated  
63 contributions shall be paid to the beneficiary named by such member in a writing filed with the  
64 retirement system prior to the member's death for the purpose of receiving such benefit, or if no  
65 beneficiary is named, then to such member's estate.

66           10. Upon the death of a member in service or after retirement, any benefit payable to the  
67 surviving children of such member under subsection 1 of section 86.1250 shall commence as of  
68 the first day of the month next following such death with no proration of such benefit for the  
69 month in which such death occurs.

70           11. All payments of any benefit shall be paid on the last business day of each month for  
71 that month. For any benefit under sections 86.900 to 86.1280, the retirement system shall

72 withhold payment of such benefit until all requisite documentation has been filed with the  
73 retirement system evidencing the entitlement of payee to such payment.

74 12. If no benefits are otherwise payable to a surviving spouse or child of a deceased  
75 member or otherwise as provided in this section, the member's accumulated contributions, to any  
76 extent not fully paid to such member prior to the member's death or to the surviving spouse or  
77 child of such member or otherwise as provided in this section, shall be paid in one lump sum to  
78 the member's beneficiary named by such member in a writing filed with the retirement system  
79 prior to the member's death for the purpose of receiving such benefit, or if no beneficiary is  
80 named, then to such member's estate. Such payment shall constitute full and final payment of  
81 any and all claims for benefits under the retirement system.

86.1100. 1. The retirement board shall fix and determine by proper rules and regulations  
2 how much service in any year is equivalent to one year of service. In no case shall more than one  
3 year of service be creditable for all service rendered in one calendar year. The retirement board  
4 shall not allow credit as service for any period during which the member was absent without  
5 compensation, except as provided in sections 86.1110 and 86.1140.

6 2. Except as provided in subsection 3 of section 86.1110 **or subsection 2 of section**  
7 **86.1140**, creditable service at retirement on which the retirement allowance of a member is based  
8 consists of the membership service rendered by such member since such member last became  
9 a member **provided that no creditable service shall be allowed for any period of time when**  
10 **a member was not making contributions.**

11 3. Creditable service also includes any prior service credit to which a member may be  
12 entitled by virtue of an authorized purchase of such credit or as otherwise provided in sections  
13 86.900 to 86.1280.

14 4. Creditable service shall not include any time a member was suspended from service  
15 without compensation. No contribution is required from either the member under section  
16 86.1010 or from the city under section 86.1000 for such time.

17 5. Any member [who has completed thirty years of creditable service may continue in  
18 service by permission of the board of police commissioners] **in active service with the police**  
19 **department on or after August 28, 2013, may accrue up to a maximum of thirty-two years**  
20 **of creditable service.** Contributions shall not be required of, and no service shall be credited  
21 to, any member for more than [thirty] **thirty-two** years of service.

86.1110. 1. Whenever a member is given a leave of absence for military service and  
2 returns to employment after discharge from the service, such member shall be entitled to  
3 creditable service for the years of employment prior to the leave of absence.

4 2. Except as provided in subsection 3 of this section, a member who served on active  
5 duty in the Armed Forces of the United States and who became a member, or returned to

6 membership, after discharge under honorable conditions, may elect prior to retirement to  
7 purchase creditable service equivalent to such service in the Armed Forces, not to exceed two  
8 years, provided the member is not receiving and is not eligible to receive retirement credits or  
9 benefits from any other public or private retirement plan for the service to be purchased, other  
10 than a United States military service retirement system or United States Social Security benefits  
11 attributable to such military service, and an affidavit so stating is filed by the member with the  
12 retirement system. A member electing to make such purchase shall pay to the retirement system  
13 an amount equal to the actuarial cost of the additional benefits attributable to the additional  
14 service credit to be purchased, as of the date the member elects to make such purchase. Payment  
15 in full of the amount due from a member electing to purchase creditable service under this  
16 subsection shall be made over a period not to exceed five years, measured from the date of  
17 election, or prior to the commencement date for payment of benefits to the member from the  
18 retirement system, whichever is earlier, including interest on unpaid balances compounded  
19 annually at the interest rate assumed from time to time for actuarial valuations of the retirement  
20 system. If payment in full including interest is not made within the prescribed period, any partial  
21 payments made by the member shall be refunded, and no creditable service attributable to such  
22 election, or as a result of any such partial payments, shall be allowed; provided that if a benefit  
23 commencement date occurs because of the death or disability of a member who has made an  
24 election under this subsection and if the member is current in payments under an approved  
25 installment plan at the time of the death or disability, such election shall be valid if the member,  
26 the surviving spouse, or other person entitled to benefit payments pays the entire balance of the  
27 remaining amount due, including interest to the date of such payment, within sixty days after the  
28 member's death or disability. The time of a disability shall be deemed to be the time when such  
29 member is retired by the board of police commissioners for reason of disability as provided in  
30 sections 86.900 to 86.1280.

31         3. Notwithstanding any other provision of sections 86.900 to 86.1280, a member who  
32 is on leave of absence for military service during any portion of which leave the United States  
33 is in a state of declared war, or a compulsory draft is in effect for any of the military branches  
34 of the United States, or any units of the military reserves of the United States, including the  
35 National Guard, are mobilized for combat military operations, and who becomes entitled to  
36 reemployment rights and other employment benefits under Title 38, Chapter 43 of the U.S. Code,  
37 relating to employment and reemployment rights of members of the uniformed services by  
38 meeting the requirements for such rights and benefits under Section 4312 of said chapter, or the  
39 corresponding provisions of any subsequent applicable federal statute, shall be entitled to service  
40 credit for the time spent in such military service for all purposes of sections 86.900 to 86.1280  
41 and such member shall not be required to pay any member contributions for such time. If it

42 becomes necessary for the years of such service to be included in the calculation of such  
43 member's compensation for any purpose, such member shall be deemed to have received the  
44 same compensation throughout such period of service as the member's base annual salary  
45 immediately prior to the commencement of such leave of absence; **provided, however, that the**  
46 **foregoing provisions of this subsection shall apply only to such portion of such leave with**  
47 **respect to which the cumulative length of the absence and of all previous absences from a**  
48 **position of employment with the employer by reason of service in the uniformed services**  
49 **does not exceed five years except for such period of any such excess as meets the**  
50 **requirements for exceptions to such five-year limitation set forth in the aforesaid Section**  
51 **4312.**

86.1150. 1. Any **Tier I** member may retire when such member has completed  
2 twenty-five or more years of creditable service [and, except as otherwise provided in section  
3 86.1100, shall retire when such member has completed thirty years of creditable service]. Upon  
4 such retirement such member shall receive a base pension equal to:

5 (1) For a member retiring prior to August 28, 2000, two percent of such member's final  
6 compensation, as defined in section 86.900, multiplied by the number of years of such member's  
7 total creditable service; or

8 (2) For a member retiring on or after August 28, 2000, **and prior to August 28, 2013,**  
9 two and one-half percent of such member's final compensation, as defined in section 86.900,  
10 multiplied by the number of years of such member's total creditable service. Such pension shall  
11 not exceed seventy-five percent of the member's final compensation[.

12 2. Every member not having thirty years of service must retire at sixty years of age  
13 except that on recommendation of the chief of police, the board of police commissioners may  
14 permit such member who is sixty years of age or over to remain in service until such member  
15 reaches the age of sixty-five years. Such member shall continue to make contributions and  
16 receive credit for service until reaching sixty-five years of age, until retirement, or until  
17 completion of thirty years of creditable service, whichever occurs first. If such member shall  
18 reach sixty-five years of age or shall retire prior to completion of twenty-five years of service,  
19 the base pension of such member shall be calculated under subsection 3 of this section.

20 3. Except as provided in section 86.1100 or in subsection 2 of this section,] ; or

21 **(3) For a member retiring on or after August 28, 2013, two and one-half percent of**  
22 **such member's final compensation, as defined in section 86.900, multiplied by the number**  
23 **of years of such member's total creditable service. Such pension shall not exceed eighty**  
24 **percent of the member's final compensation.**

25           **2.** Any **Tier I** member in service who shall have attained sixty years of age and at that  
26 time shall have completed at least ten [but less than thirty] years of creditable service [shall] **may**  
27 retire and **upon such retirement** shall receive a base pension equal to:

28           (1) For a member retiring prior to August 28, 2000, two percent of such member's final  
29 compensation, as defined in section 86.900, multiplied by the number of years of such member's  
30 total creditable service; or

31           (2) For a member retiring on or after August 28, 2000, two and one-half percent of such  
32 member's final compensation as defined in section 86.900 multiplied by the number of years of  
33 such member's total creditable service.

34           **[4.] 3.** Subject to the provisions of subsection **[5] 4** of this section, whenever the service  
35 of a **Tier I** member is terminated for any reason prior to death or retirement and the member has  
36 fifteen or more years of creditable service, the member may elect not to withdraw such member's  
37 accumulated contributions and shall become entitled to a base pension commencing on the first  
38 day of the month following the attainment of the age of fifty-five, if then living, equal to:

39           (1) For a member whose service so terminates prior to August 28, 2001, two percent of  
40 such member's final compensation multiplied by the number of years of such member's  
41 creditable service; or

42           (2) For a member whose service so terminates on or after August 28, 2001, two and  
43 one-half percent of such member's final compensation multiplied by the number of years of such  
44 member's creditable service.

45           **[5.] 4.** Notwithstanding any other provisions of sections 86.900 to 86.1280, any member  
46 who is convicted of a felony prior to separation from active service shall not be entitled to any  
47 benefit from this retirement system except the return of such member's accumulated  
48 contributions.

**86.1151. 1.** Any **Tier II** member may retire when such member has completed  
2 **twenty-seven or more years of creditable service. Upon such retirement such member shall**  
3 **receive a base pension equal to two and one-half percent of such member's final**  
4 **compensation, as defined in section 86.900, multiplied by the number of years of such**  
5 **member's total creditable service. Such pension shall not exceed eighty percent of the**  
6 **member's final compensation.**

7           **2. (1) A Tier II member who is married at the time of retirement may by a written**  
8 **election, with the written consent of such member's spouse, elect an optional benefit**  
9 **calculated as follows: such optional benefit shall be a monthly pension in the initial amount**  
10 **which shall be actuarially equivalent to the actuarial value of the pension described in**  
11 **subsection 1 of this section for such member at the date of retirement (including the value**  
12 **of survivorship rights of a surviving spouse, where applicable, under section 86.1240), upon**

13 the basis that the initial annuity for the member's spouse, if such spouse survives the  
14 member, shall be:

15 (a) The same as the amount being paid the member at the member's death, and,  
16 together with cost-of-living adjustments thereafter declared on the spouse's base pension  
17 under section 86.1220, shall be paid to such surviving spouse for the lifetime of such  
18 spouse; or

19 (b) Seventy-five percent of the amount being paid the member at the member's  
20 death, and, together with cost-of-living adjustments thereafter declared on the spouse's  
21 base pension under section 86.1220, shall be paid to such surviving spouse for the lifetime  
22 of such spouse.

23 (2) If a member who elects the optional benefit permitted by this subsection also  
24 makes an election permitted under section 86.1210, such optional benefit shall be reduced  
25 as provided in subdivision (3) of subsection 2 of section 86.1210.

26 (3) If a member makes the election permitted by this subsection, the amount  
27 calculated for such optional benefit under either subdivision (1) or (2) of this subsection  
28 shall become the base pension for such member and for such member's spouse for all  
29 purposes of sections 86.900 to 86.1280.

30 (4) An election for an optional benefit under this subsection shall be void if the  
31 member dies within thirty days after filing such election with the retirement system or if  
32 the member dies before the due date of the first payment of such member's pension.

33 3. Subject to the provisions of subsection 4 of this section, whenever the service of  
34 a Tier II member is terminated for any reason prior to death or retirement and the  
35 member has fifteen or more years of creditable service, the member may elect not to  
36 withdraw such member's accumulated contributions and shall become entitled to a base  
37 pension commencing on the first day of the month following the attainment of the age of  
38 sixty, if then living, equal to two and one-half percent of such member's final compensation  
39 multiplied by the number of years of such member's creditable service.

40 4. Notwithstanding any other provisions of sections 86.900 to 86.1280, any member  
41 who is convicted of a felony prior to separation from active service shall not be entitled to  
42 any benefit from this retirement system except the return of such member's accumulated  
43 contributions.

86.1180. 1. Any member in active service who is permanently unable to perform the full  
2 and unrestricted duties of a police officer as the natural, proximate, and exclusive result of an  
3 accident occurring within the actual performance of duty at some definite time and place or  
4 through an occupational disease arising exclusively out of and in the course of his or her  
5 employment shall be retired by the board of police commissioners upon certification by one or

6 more physicians of the medical board that the member is mentally or physically unable to  
7 perform the full and unrestricted duties of a police officer, that the inability is permanent or likely  
8 to become permanent, and that the member should be retired. The inability to perform the full  
9 and unrestricted duties of a police officer means that the member is unable to perform all the  
10 essential job functions for the position of police officer as established by the board of police  
11 commissioners.

12       2. **(1)** Upon such retirement on or after August 28, 2001, **and prior to August 28, 2013**,  
13 a member shall receive a base pension equal to seventy-five percent of his or her final  
14 compensation for so long as the permanent disability shall continue, during which time such  
15 member shall for purposes of this section be referred to as a disability beneficiary. Such pension  
16 may be subject to offset or reduction under section 86.1190 by amounts paid or payable under  
17 any workers' compensation law;

18       **(2) Upon such retirement on or after August 28, 2013, a member shall receive a**  
19 **base pension equal to eighty percent of his or her final compensation for so long as the**  
20 **permanent disability shall continue, during which time such member shall for purposes of**  
21 **this section be referred to as a disability beneficiary. Such pension may be subject to offset**  
22 **or reduction under section 86.1190 by amounts paid or payable under any workers'**  
23 **compensation law.**

24       3. Once each year during the first five years following his or her retirement, and at least  
25 once in every three-year period thereafter, the retirement board may, and upon the member's  
26 application shall, require any disability beneficiary who has not yet attained the age of sixty years  
27 to undergo a medical examination at a place designated by the medical board or some member  
28 thereof. If any disability beneficiary who has not attained the age of sixty years refuses to submit  
29 to a medical examination his or her disability pension may be discontinued until his or her  
30 withdrawal of such refusal, and if his or her refusal continues for one year, all rights in and to  
31 such pension may be revoked by the retirement board.

32       4. If one or more members of the medical board certify to the retirement board that a  
33 disability beneficiary is able to perform the full and unrestricted duties of a police officer, and  
34 if the retirement board concurs on the report, then such beneficiary's disability pension shall  
35 cease.

36       5. If upon cessation of a disability pension under subsection 4 of this section, the former  
37 disability beneficiary is restored to active service, such member shall contribute to this retirement  
38 system thereafter at the same rate as other members. Upon subsequent retirement, such member  
39 shall be credited with all his or her creditable service, including any years in which such member  
40 received a disability pension under this section.

41           6. If upon cessation of a disability pension under subsection 4 of this section, the former  
42 disability beneficiary is not restored to active service, such member shall be entitled to the  
43 retirement benefit to which such member would have been entitled if such member had  
44 terminated service at the time of such cessation of the disability pension. For the purpose of such  
45 retirement benefits, such former disability beneficiary will be credited with all his or her  
46 creditable service, including any years in which such member received a disability pension under  
47 this section.

          86.1210. 1. Any member **in active service** entitled to commence a pension under  
2 **subsection 1 of** section 86.1150 [with twenty-six years or more of creditable service] **or**  
3 **subsection 1 of section 86.1151** may elect an optional distribution under the partial lump sum  
4 option plan provided in this section if the member:

5           (1) Notifies the retirement system in writing of the member's retirement date at least  
6 ninety days in advance thereof and requests an explanation of the member's rights under this  
7 section; and

8           (2) Notifies the retirement system of the member's election hereunder at least thirty days  
9 in advance of the member's retirement date.

10

11 Following receipt of an initial notice of a member's retirement date and request for an  
12 explanation under this section, the retirement system shall, at least sixty days in advance of such  
13 retirement date, provide the member a written explanation of the member's rights under this  
14 section and an estimate of the amount by which the member's regular monthly base pension  
15 would be reduced in the event of the member's election of any of the options available to the  
16 member under this section.

17           2. (1) A member entitled to make an election under this section may elect to receive a  
18 lump sum distribution with the member's initial monthly pension payment under **subsection 1**  
19 **of** section 86.1150 **or subsection 1 of section 86.1151**, subject to all the terms of this section.  
20 The member may elect the amount of the member's lump sum distribution from one, but not  
21 more than one, of the following options for which the member qualifies:

22           (a) A member having [twenty-six or more years of creditable service] **one or more years**  
23 **of creditable service after the member's eligible retirement date** may elect a lump sum  
24 amount equal to twelve times the initial monthly base pension the member would receive if no  
25 election were made under this section;

26           (b) A member having [twenty-seven] **two** or more years of creditable service **after the**  
27 **member's eligible retirement date** may elect a lump sum amount equal to twenty-four times  
28 the initial monthly base pension the member would receive if no election were made under this  
29 section; or

30 (c) A member having [twenty-eight] **three** or more years of creditable service **after the**  
31 **member's eligible retirement date** may elect a lump sum amount equal to thirty-six times the  
32 initial monthly base pension the member would receive if no election were made under this  
33 section.

34

35 **For purposes of this section, "eligible retirement date" for a member shall mean the**  
36 **earliest date on which the member could elect to retire and be entitled to receive a pension**  
37 **under subsection 1 of section 86.1150 or subsection 1 of section 86.1151.**

38 (2) When a member makes an election to receive a lump sum distribution under this  
39 section, the base pension which the member would have received in the absence of the election  
40 shall be reduced on an actuarially equivalent basis to reflect the payment of the lump sum  
41 distribution, and the reduced base pension shall be the member's base pension thereafter for all  
42 purposes relating to base pension amounts under sections 86.900 to 86.1280, **unless the member**  
43 **has also elected an optional benefit permitted under subdivision (1) of subsection 2 of**  
44 **section 86.1151;**

45 (3) **If a member electing a lump sum distribution under this section has elected the**  
46 **optional benefit permitted under subdivision (1) of subsection 2 of section 86.1151, the**  
47 **calculation of the member's pension shall be made in the following order:**

48 (a) **The amount of the member's normal pension under subsection 1 of section**  
49 **86.1151 shall be reduced to the actuarially equivalent amount to produce the optional form**  
50 **of benefit described in subdivision (1) of subsection 2 of section 86.1151, and**

51 (b) **The amount of reduced pension as determined under paragraph (a) of this**  
52 **subdivision shall be further reduced as required to produce an actuarially equivalent**  
53 **benefit in the form of the lump sum distribution option elected under this section which**  
54 **will include the lump sum benefit and the optional benefit elected under subdivision (1) of**  
55 **subsection 2 of section 86.1151, and, subject to cost-of-living adjustments thereafter**  
56 **declared on the spouse's base pension under section 86.1220, shall be paid to such surviving**  
57 **spouse for the lifetime of such spouse.**

58 3. An election under this section to receive a lump sum distribution and reduced monthly  
59 base pension shall be void if the member dies before retirement, and in such case amounts due  
60 a surviving spouse or other beneficiary of the member shall be determined without regard to such  
61 election.

86.1220. 1. Provided that the retirement system shall remain actuarially sound, each of  
2 the following persons may receive [each year], in addition to such person's base pension, a  
3 cost-of-living adjustment in an amount not to exceed three percent of such person's base pension  
4 during any one year:

5 (1) Every **Tier I** member who is retired and receiving a base pension from the retirement  
6 system; **and**

7 (2) Every **Tier I** surviving spouse who is receiving a base pension from the retirement  
8 system[]; **and**

9 (3) Every child who, under subsection 2 of section 86.1250, is receiving the benefit, or  
10 a portion thereof, which would be payable to a surviving spouse of the member who was such  
11 child's parent].

12 **2. Provided that the retirement system shall remain actuarially sound, each of the**  
13 **following persons may receive, in addition to such person's base pension, a cost-of-living**  
14 **adjustment in an amount not to exceed three percent of such person's base pension during**  
15 **any one year as follows:**

16 (1) Every **Tier II** member who retired with at least thirty-two years of creditable  
17 service shall be eligible in the year following retirement; **and**

18 (2) Every **Tier II** member who retired under subsection 1 of section 86.1151 with  
19 less than thirty-two years of creditable service shall be eligible in the year following the  
20 year in which they would have attained thirty-two years of creditable service had such  
21 member remained in active service; **and**

22 (3) Every **Tier II** member who retired under section ] shall be eligible in the year  
23 following retirement; **and**

24 (4) Every **Tier II** member who retired under section 86.1200 shall be eligible in the  
25 earlier of the year following the fifth year after retirement or the year following the year  
26 in which they would have attained thirty-two years of creditable service had such member  
27 remained in active service; **and**

28 (5) Every **Tier II** member who retired under subsection 3 of section 86.1151 shall  
29 be eligible in the year following the fifth year after retirement; **and**

30 (6) (a) Every **Tier II** surviving spouse of a member who, at the member's death,  
31 was receiving benefits including cost-of-living adjustments shall be eligible in the year  
32 following the most recent year when the decedent received a cost-of-living adjustment; **and**

33 (b) Every **Tier II** surviving spouse of a member who, at the member's death, was  
34 receiving benefits but who was not yet eligible for cost-of-living adjustments shall be  
35 eligible in the year when the decedent member would have become eligible had such  
36 decedent survived; **and**

37 (c) Every **Tier II** surviving spouse entitled to the benefit provided in subsection 1  
38 of section 86.1260 shall be eligible in the year following the year of the member's death;  
39 **and**

40           **(d) Every Tier II surviving spouse of a member who died with less than twenty-**  
41 **seven years of creditable service, entitled to benefits provided in subsection 1 of section**  
42 **86.1240, and who is not eligible for the benefit provided in subsection 1 of section 86.1260,**  
43 **shall be eligible in the year following the fifth year after the member's death; and**

44           **(e) Every Tier II surviving spouse of a member who died with twenty-seven or more**  
45 **years of creditable service, entitled to benefits provided in subsection 1 of section 86.1240,**  
46 **and who is not eligible for the benefit provided in subsection 1 of section 86.1260, shall be**  
47 **eligible the later of the year following the year of the member's death or the year following**  
48 **the year in which the member would have attained thirty-two years of creditable service**  
49 **had such member remained in active service.**

50           **3. Provided that the retirement system shall remain actuarially sound, every child**  
51 **who, under subsection 2 of section 86.1250, is receiving the benefit, or a portion thereof,**  
52 **which would be payable to a surviving spouse of the member who was such child's parent,**  
53 **may receive each year such cost-of-living adjustment on such benefit as would have been**  
54 **payable on such benefit, or portion thereof, to such surviving spouse if living.**

55           **4. Upon the death of a Tier I member who has been retired and receiving a pension and**  
56 **who dies after September 28, 1987, the surviving spouse of such member entitled to receive a**  
57 **base pension under section 86.1240 or children of such member entitled to receive a base**  
58 **pension under subsection 2 of section 86.1250 shall receive an immediate percentage**  
59 **cost-of-living adjustment to their respective base pension equal to the total percentage**  
60 **cost-of-living adjustments received during such member's lifetime under this section, except that**  
61 **the adjustment provided by this subsection shall not be made to a base pension calculated under**  
62 **either subdivision (1) or paragraph (b) of subdivision (2) of subsection 2 of section 86.1240,**  
63 **either for a surviving spouse or for a child or children entitled to a base pension measured by the**  
64 **pension to which a qualified surviving spouse would be entitled, wherein such base pension is**  
65 **determined by a percentage of the amount being received by the deceased member at death.**

66           **5. Upon the death of a Tier II member who has been retired and receiving a**  
67 **pension, the surviving spouse of such member entitled to receive a base pension under**  
68 **section 86.1240 or children of such member entitled to receive a base pension under**  
69 **subsection 2 of section 86.1250 shall receive an immediate percentage cost-of-living**  
70 **adjustment to their respective base pension equal to the total percentage cost-of-living**  
71 **adjustments received during such member's lifetime under this section, except that the**  
72 **adjustment provided by this subsection shall not apply for any surviving spouse, or for a**  
73 **child or children entitled to benefits which would be received by a qualified surviving**  
74 **spouse, receiving a benefit pursuant to an election made under subdivision (1) of subsection**  
75 **2 of section 86.1151.**

76 [3.] 6. For purposes of this section, the term "base pension" shall mean:

77 (1) For a member, the pension computed under the provisions of the law as of the date  
78 of retirement without regard to cost-of-living adjustments, as adjusted, if applicable, for any  
79 election made under **subdivision (1) of subsection 2 of section 86.1151 or section 86.1210**, but  
80 in all events not including any supplemental benefit under section 86.1230 **or section 86.1231**;

81 (2) For a surviving spouse, the base pension calculated for such spouse in accordance  
82 with the provisions of section 86.1240 **or subdivision (3) of subsection 2 of section 86.1151**,  
83 including any compensation as a consultant to which such surviving spouse is entitled under said  
84 section in lieu of a pension thereunder, but not including any supplemental benefit under section  
85 86.1230 **or section 86.1231**; and

86 (3) For a member's surviving child who is entitled to receive part or all of the pension  
87 which would be received by the surviving spouse, if living, the base pension calculated for such  
88 surviving spouse in accordance with the provisions of section 86.1240 **or subdivision (3) of**  
89 **subsection 2 of section 86.1151**, including any compensation as a consultant to which such  
90 spouse would be entitled under said section, if living, divided by the number of surviving  
91 children entitled to share in such pension under subsection 2 of section 86.1250.

92 [4.] 7. The cost-of-living adjustment shall be an increase or decrease computed on the  
93 base pension amount by the retirement board in an amount that the board, in its discretion,  
94 determines to be satisfactory, but in no event shall the adjustment be more than three percent or  
95 reduce the pension to an amount less than the base pension. In determining and granting the  
96 cost-of-living adjustments, the retirement board shall adopt such rules and regulations as may  
97 be necessary to effectuate the purposes of this section, including provisions for the manner of  
98 computation of such adjustments and the effective dates thereof. The retirement board shall  
99 provide for such adjustments to be determined once each year and granted on a date or dates to  
100 be chosen by the board, and may apply such adjustments in full to **eligible members as provided**  
101 **in subsections 1 and 2 of this section** who have retired during the year prior to such adjustments  
102 but who have not been retired for one full year and to the surviving spouse or applicable children  
103 of a member who has died during the year prior to such adjustments.

104 [5.] 8. The determination of whether the retirement system will remain actuarially sound  
105 shall be made at the time any cost-of-living adjustment is granted. If at any time the retirement  
106 system ceases to be actuarially sound, pension payments shall continue as adjusted by increases  
107 theretofore granted. A member of the retirement board shall have no personal liability for  
108 granting increases under this section if that retirement board member in good faith relied and  
109 acted upon advice of a qualified actuary that the retirement system would remain actuarially  
110 sound.

111 [6.] 9. If any benefit under subsection 1 of section 86.1250 on August 27, 2005, would  
112 be reduced by application of this section, such benefit shall continue thereafter without reduction,  
113 but any benefit so continued shall terminate at the time prescribed in subsection 1 of section  
114 86.1250.

86.1230. 1. Any **Tier I** member who retires subsequent to August 28, 1991, with  
2 entitlement to a pension under sections 86.900 to 86.1280, shall receive, in addition to such  
3 member's base pension and cost-of-living adjustments thereto under section 86.1220, and in  
4 addition to any other compensation or benefit to which such member may be entitled under  
5 sections 86.900 to 86.1280, a supplemental retirement benefit of fifty dollars per month. The  
6 amount of such supplemental retirement benefit may be adjusted by cost-of-living adjustments  
7 determined by the retirement board not more frequently than annually.

8 2. Any **Tier I** member who was retired on or before August 28, 1991, and is receiving  
9 retirement benefits from the retirement system shall, upon application to the retirement board,  
10 be retained as a consultant, and for such services such member shall receive, in addition to such  
11 member's base pension and cost-of-living adjustments thereto under section 86.1220, and in  
12 addition to any other compensation or benefit to which such member may be entitled under  
13 sections 86.900 to 86.1280, a supplemental compensation in the amount of fifty dollars per  
14 month. This appointment as a consultant shall in no way affect any member's eligibility for  
15 retirement benefits under the provisions of sections 86.900 to 86.1280, or in any way have the  
16 effect of reducing retirement benefits otherwise payable to such member. The amount of such  
17 supplemental compensation under this subsection may be adjusted by cost-of-living adjustments  
18 determined by the retirement board not more frequently than annually.

19 3. For purposes of subsections 1 and 2 of this section, the term "member" shall include  
20 a surviving spouse entitled to a benefit under sections 86.900 to 86.1280 who shall be deemed  
21 to have retired for purposes of this section on the date of retirement of the member of whom such  
22 person is the surviving spouse or on the date of death of such member if such member died prior  
23 to retirement; provided, that if the surviving spouse of any member who retired prior to August  
24 28, 2000, shall not have remarried prior to August 28, 2000, but remarries thereafter, such  
25 surviving spouse shall thereafter receive benefits under subsection 2 of this section, and provided  
26 further, that no benefits shall be payable under this section to the surviving spouse of any  
27 member who retired prior to August 28, 2000, if such surviving spouse was at any time remarried  
28 after the member's death and prior to August 28, 2000. All benefits payable to a surviving  
29 spouse under this section shall be in addition to all other benefits to which such surviving spouse  
30 may be entitled under other provisions of sections 86.900 to 86.1280. Any such surviving spouse  
31 of a member who dies while entitled to payments under this section shall succeed to the full  
32 amount of payment under this section to which such member was entitled at the time of such

33 member's death, including any cost-of-living adjustments received by such member in the  
34 payment under this section prior to such member's death. In all events, the term "member" shall  
35 not include any children of the member who would be entitled to receive part or all of the  
36 pension which would be received by a surviving spouse if living.

37         4. Any member who is receiving benefits from the retirement system and who either was  
38 retired under the provisions of subdivision (1) of subsection 1 of section 86.1150, or who retired  
39 before August 28, 2001, under the provisions of section 86.1180 or section 86.1200, shall, upon  
40 application to the retirement board, be retained as a consultant. For such services such member  
41 shall receive each month in addition to such member's base pension and cost-of-living  
42 adjustments thereto under section 86.1220, and in addition to any other compensation or benefit  
43 to which such member may be entitled under sections 86.900 to 86.1280, an equalizing  
44 supplemental compensation of ten dollars per month. This appointment as a consultant shall in  
45 no way affect any member's eligibility for retirement benefits under the provisions of sections  
46 86.900 to 86.1280, or in any way have the effect of reducing retirement benefits otherwise  
47 payable to such member. The amount of equalizing supplemental compensation under this  
48 subsection may be adjusted by cost-of-living adjustments, determined by the retirement board  
49 not more frequently than annually, but in no event shall the aggregate of such equalizing  
50 supplemental compensation together with all such cost-of-living adjustments thereto exceed  
51 twenty-five percent of the member's base pension. Each cost-of-living adjustment to  
52 compensation under this subsection shall be determined independently of any cost-of-living  
53 adjustment to any other benefit under sections 86.900 to 86.1280. For the purposes of this  
54 subsection, the term "member" shall include a surviving spouse entitled to benefits under the  
55 provisions of sections 86.900 to 86.1280, and who is the surviving spouse of a member who  
56 qualified, or would have qualified if living, for compensation under this subsection. Such  
57 surviving spouse shall, upon application to the retirement board, be retained as a consultant, and  
58 for such services shall be compensated in an amount equal to the compensation which would  
59 have been received by the member under this subsection, if living. Any such surviving spouse  
60 of a member who dies while entitled to payments under this subsection shall succeed to the full  
61 amount of payment under this subsection to which such member was entitled at the time of such  
62 member's death, including any cost-of-living adjustments received by such member in the  
63 payment under this subsection prior to such member's death. In all events, the term "member"  
64 shall not include any children of the member who would be entitled to receive part or all of the  
65 pension that would be received by a surviving spouse, if living.

66         5. A surviving spouse who is entitled to benefits under the provisions of subsection 1 of  
67 section 86.1240 as a result of the death prior to August 28, 2007, of a member in service, and  
68 who is receiving benefits from the retirement system, shall, upon application to the retirement

69 board, be retained as a consultant, and for such services such surviving spouse shall receive each  
70 month an equalizing supplemental compensation of ten dollars per month. A surviving spouse  
71 entitled to benefits under the provisions of subsection 1 of section 86.1240 as a result of the  
72 death of a member in service on or after August 28, 2007, shall receive each month an equalizing  
73 supplemental benefit of ten dollars per month. All benefits payable to a surviving spouse under  
74 this subsection shall be in addition to all other benefits to which such surviving spouse may be  
75 entitled under other provisions of sections 86.900 to 86.1280 and shall in no way have the effect  
76 of reducing benefits otherwise payable to such surviving spouse. The amount of equalizing  
77 supplemental benefit or equalizing supplemental compensation under this subsection may be  
78 adjusted by cost-of-living adjustments, determined by the retirement board not more frequently  
79 than annually, but in no event shall the aggregate of such equalizing supplemental benefit or  
80 compensation together with all such cost-of-living adjustments thereto exceed twenty-five  
81 percent of the base pension of the surviving spouse. Each cost-of-living adjustment to an  
82 equalizing supplemental benefit or compensation under this subsection shall be determined  
83 independently of any cost-of-living adjustment to any other benefit under sections 86.900 to  
84 86.1280. In all events the term "surviving spouse" as used in this subsection shall not include  
85 any children of the member who would be entitled to receive part or all of the pension that would  
86 be received by a surviving spouse, if living.

87         6. In determining and granting the cost-of-living adjustments under this section, the  
88 retirement board shall adopt such rules and regulations as may be necessary to effectuate the  
89 purposes of this section, including provisions for the manner of computation of such adjustments  
90 and the effective dates thereof. The retirement board shall provide for such adjustments to be  
91 determined once each year and granted on a date or dates to be chosen by the board. The  
92 retirement board shall not be required to prorate the initial adjustment to any benefit or  
93 compensation under this section for any member.

94         7. The determination of whether the retirement system will remain actuarially sound  
95 shall be made at the time any cost-of-living adjustment under this section is granted. If at any  
96 time the retirement system ceases to be actuarially sound, any benefit or compensation payments  
97 provided under this section shall continue as adjusted by increases or decreases theretofore  
98 granted. A member of the retirement board shall have no personal liability for granting increases  
99 under this section if that retirement board member in good faith relied and acted upon advice of  
100 a qualified actuary that the retirement system would remain actuarially sound.

**86.1231. Any Tier II member who retires with entitlement to a pension under  
2 sections 86.900 to 86.1280, shall receive, in addition to such member's base pension and  
3 cost-of-living adjustments thereto under section 86.1220, and in addition to any other  
4 compensation or benefit to which such member may be entitled under sections 86.900 to**

5 **86.1280, a supplemental retirement benefit of two hundred dollars per month. For**  
6 **purposes of this section, the term "member" shall include a surviving spouse entitled to a**  
7 **benefit under sections 86.900 to 86.1280 as a Tier II surviving spouse. All benefits payable**  
8 **to a surviving spouse under this section shall be in addition to all other benefits to which**  
9 **such surviving spouse may be entitled under other provisions of sections 86.900 to 86.1280.**  
10 **Any such surviving spouse of a member who dies while entitled to payments under this**  
11 **section shall succeed to the full amount of payment under this section to which such**  
12 **member was entitled at the time of such member's death. In all events, the term "member"**  
13 **shall not include any children of the member who would be entitled to receive part or all**  
14 **of the pension which would be received by a surviving spouse, if living.**

86.1240. 1. Upon receipt of the proper proofs of death of a member in service for any  
2 reason whatsoever, there shall be paid to such member's surviving spouse, if any, in addition to  
3 all other benefits but subject to subsection 6 of this section, a base pension equal to forty percent  
4 of the final compensation of such member, subject to adjustments, if any, as provided in section  
5 86.1220.

6 2. (1) Upon receipt of the proper proofs of death of a **Tier I** member who was retired  
7 or terminated service after August 28, 1999, and died after having become entitled to benefits  
8 from this retirement system, there shall be paid to such member's surviving spouse, if any, in  
9 addition to all other benefits but subject to subsection 6 of this section, a base pension equal to  
10 eighty percent of the pension being received by such member, including cost-of-living  
11 adjustments to such pension but excluding supplemental retirement benefits, at the time of such  
12 member's death, subject to subsequent adjustments, if any, as provided in section 86.1220. The  
13 pension provided by this subdivision shall terminate upon remarriage by the surviving spouse  
14 prior to August 28, 2000.

15 (2) (a) Upon receipt of the proper proof of death of a **Tier I** member who retired or  
16 terminated service on or before August 28, 1999, and who died after August 28, 1999, and after  
17 having become entitled to benefits from this retirement system, such member's surviving spouse,  
18 if any, shall be entitled to a base pension equal to forty percent of the final compensation of such  
19 member.

20 (b) Such a surviving spouse shall, upon application to the retirement board, be appointed  
21 by the retirement board as a consultant and be compensated in an amount equal to the benefits  
22 such spouse would receive under subdivision (1) of this subsection if the member had retired or  
23 terminated service after August 28, 1999.

24 (c) The benefits provided by this subdivision shall terminate upon remarriage by the  
25 surviving spouse prior to August 28, 2000.

26           **(3) Upon receipt of the proper proof of death of a Tier II member after retirement**  
27 **who has not elected the optional annuity permitted under subdivision (1) of subsection 2**  
28 **of section 86.1151, such member's surviving spouse, shall be entitled to a base pension**  
29 **payable for life equaling fifty percent of the member's base pension.**

30           3. In the case of any member who, prior to August 28, 2000, died in service or retired,  
31 the surviving spouse who would qualify for benefits under subsection 1 or 2 of this section but  
32 for remarriage, and who has not remarried prior to August 28, 2000, but remarries thereafter,  
33 shall upon application be appointed by the retirement board as a consultant. For services as such  
34 consultant, such surviving spouse shall be compensated in an amount equal to the benefits such  
35 spouse would have received under sections 86.900 to 86.1280 in the absence of such remarriage.

36           4. Upon the death of any member who is in service after August 28, 2000, and who  
37 either had at least twenty-five years of creditable service or was retired or died as a result of an  
38 injury or illness occurring in the line of duty or course of employment under section 86.1180, the  
39 surviving spouse's benefit provided under this section, without including any supplemental  
40 retirement benefits paid such surviving spouse by this retirement system, shall be six hundred  
41 dollars per month. For any member who died, retired or terminated service on or before August  
42 28, 2000, and who either had at least twenty-five years of creditable service or was retired or died  
43 as a result of an injury or illness occurring in the line of duty or course of employment under  
44 section 86.1180, the surviving spouse shall upon application to the retirement board be appointed  
45 by the retirement board as a consultant. For services as such consultant, the surviving spouse  
46 shall, beginning the later of August 28, 2000, or the time the appointment is made under this  
47 subsection, be compensated in an amount which without including supplemental retirement  
48 benefits provided by this system shall be six hundred dollars monthly. A pension benefit under  
49 this subsection shall be paid in lieu of any base pension as increased by cost-of-living  
50 adjustments granted under section 86.1220. The benefit under this subsection shall not be  
51 subject to cost-of-living adjustments, but shall be terminated and replaced by the base pension  
52 and cost-of-living adjustments to which such spouse would otherwise be entitled at such time  
53 as the total base pension and such adjustments exceed six hundred dollars monthly.

54           5. A surviving spouse who is entitled to benefits under the provisions of subsection 1 of  
55 this section as a result of the death on or before August 28, 2009, of a member in service who  
56 is receiving benefits under sections 86.900 to 86.1280 and who does not qualify under the  
57 provisions of subsection 4 of this section shall, upon application to the retirement board, be  
58 appointed as a consultant, and for such services such surviving spouse shall be compensated in  
59 an amount which, without including any supplemental retirement benefits provided by sections  
60 86.900 to 86.1280, shall be six hundred dollars monthly. A pension benefit under this subsection  
61 shall be paid in lieu of any base pension as increased by cost-of-living adjustments granted under

62 section 86.1220. The benefit under this subsection shall not be subject to cost-of-living  
63 adjustments, but shall be terminated and replaced by the base pension and cost-of-living  
64 adjustments to which such surviving spouse would otherwise be entitled at such time as the total  
65 base pension and such adjustments exceed six hundred dollars monthly. As used in this  
66 subsection, "surviving spouse" shall not include any children of the member who would be  
67 entitled to receive part or all of the pension that would be received by a surviving spouse, if  
68 living.

69 6. Any beneficiary of benefits under sections 86.900 to 86.1280 who becomes the  
70 surviving spouse of more than one member shall be paid all benefits due a surviving spouse of  
71 that member whose entitlements produce the largest surviving spouse benefits for such  
72 beneficiary but shall not be paid surviving spouse benefits as the surviving spouse of more than  
73 one member.

86.1250. 1. (1) Upon the death of a member in service or after retirement, such  
2 member's child or children under the age of eighteen years at the time of the member's death shall  
3 be paid fifty dollars per month each until he or she shall attain the age of eighteen years;  
4 however, each such child who is or becomes a full-time student at an accredited educational  
5 institution shall continue to receive payments under this section for so long as such child shall  
6 remain such a full-time student or shall be in a summer or other vacation period scheduled by  
7 the institution with intent by such child, demonstrated to the satisfaction of the retirement board,  
8 to return to such full-time student status upon the resumption of the institution's classes  
9 following such vacation period, but in no event shall such payments be continued after such child  
10 shall attain the age of twenty-one years except as hereinafter provided.

11 (2) Any child eighteen years of age or older, who is physically or mentally incapacitated  
12 from wage earning, so long as such incapacity exists as certified by a member of the medical  
13 board, shall be entitled to the same benefits as a child under the age of eighteen. For purposes  
14 of this section, a determination of whether a child of a member is physically or mentally  
15 incapacitated from wage earning so that the child is entitled to benefits under this section shall  
16 be made at the time of the member's death. If a child becomes incapacitated after the member's  
17 death, or if a child's incapacity existing at the member's death is removed and such child later  
18 becomes incapacitated again, such child shall not be entitled to benefits as an incapacitated child  
19 under the provisions of this section. A child shall be deemed incapacitated only for so long as  
20 the incapacity existing at the time of the member's death continues.

21 (3) Notwithstanding any other law to the contrary, amounts payable under subdivision  
22 (1) or (2) of this subsection shall not be subject to offset or reduction by amounts paid or payable  
23 under any workers' compensation or similar law.

24           2. Upon or after the death of a member in service or after retirement with entitlement to  
25 benefits, if there is no surviving spouse or if a surviving spouse dies, the total amount, including  
26 any amounts receivable as consulting compensation, but not including any supplemental benefits  
27 under section 86.1230 **for a Tier I member or section 86.1231 for a Tier II member**, which  
28 would be received by a qualified surviving spouse or which is being received by the surviving  
29 spouse at the date of death of such surviving spouse shall be added to the amounts received by  
30 and shall be divided among the children of such member under the age of eighteen years and the  
31 incapacitated children in equal shares. As each such child attains the age of eighteen years or  
32 has such incapacity removed, such total amount shall then be divided among the remaining such  
33 children, until there is no remaining child of such member under the age of eighteen years or  
34 incapacitated, at which time all benefits for children of such member under this subsection shall  
35 cease.

36           3. Upon the death of a member in service or after retirement, a funeral benefit of one  
37 thousand dollars shall be paid to the person or entity who provided or paid for the funeral  
38 services for such member.

          86.1270. 1. A retirement plan under sections 86.900 to 86.1280 is a qualified plan under  
2 the provisions of applicable federal law. The benefits and conditions of a retirement plan under  
3 sections 86.900 to 86.1280 shall always be adjusted to ensure that the tax-exempt status is  
4 maintained.

5           2. The retirement board shall administer the retirement system in a manner as to retain  
6 at all times qualified status under Section 401(a) of the Internal Revenue Code.

7           3. The retirement board shall hold in trust the assets of the retirement system for the  
8 exclusive benefit of the members and their beneficiaries and for defraying reasonable  
9 administrative expenses of the system. No part of such assets shall, at any time prior to the  
10 satisfaction of all liabilities with respect to members and their beneficiaries, be used for or  
11 diverted to any purpose other than such exclusive benefit or to any purpose inconsistent with  
12 sections 86.900 to 86.1280.

13           4. A member's benefit shall be one hundred percent vested and nonforfeitable upon the  
14 member's attainment of normal retirement age, which shall be the earlier of:

15           (1) Completion of twenty-five years of service **for Tier I members and twenty-seven**  
16 **years of service for Tier II members;**

17           (2) Age sixty [if the] **for any Tier I member who** has completed at least ten years of  
18 creditable service **or age sixty for any Tier II member who has completed at least fifteen**  
19 **years of creditable service;**

20           (3) Age seventy without regard to years of service; or

21 (4) To the extent funded, upon the termination of the system established under sections  
22 86.900 to 86.1280 or any partial termination which affects the members or any complete  
23 discontinuance of contributions by the city to the system.

24

25 Amounts representing forfeited nonvested benefits of terminated members shall not be used to  
26 increase benefits payable from the system but may be used to reduce contributions for future plan  
27 years.

28 5. Distribution of benefits shall begin not later than April first of the year following the  
29 later of the calendar year during which the member becomes seventy and one-half years of age  
30 or the calendar year in which the member retires, and shall otherwise conform to Section  
31 401(a)(9) of the Internal Revenue Code.

32 6. A member or beneficiary of a member shall not accrue a service retirement annuity,  
33 disability retirement annuity, death benefit, whether death occurs in the line of duty or otherwise,  
34 or any other benefit under sections 86.900 to 86.1280 in excess of the benefit limits applicable  
35 to the fund under Section 415 of the Internal Revenue Code. The retirement board shall reduce  
36 the amount of any benefit that exceeds those limits by the amount of the excess. If the total  
37 benefits under the retirement system and the benefits and contributions to which any member is  
38 entitled under any other qualified plan or plans maintained by the board of police commissioners  
39 that employs the member would otherwise exceed the applicable limits under Section 415 of the  
40 Internal Revenue Code, the benefits the member would otherwise receive from the retirement  
41 system shall be reduced to the extent necessary to enable the benefits to comply with Section 415  
42 of the Internal Revenue Code.

43 7. The total salary taken into account for any purpose for any member of the retirement  
44 system shall not exceed two hundred thousand dollars per year, subject to periodic adjustments  
45 in accordance with guidelines provided by the United States Secretary of the Treasury, and shall  
46 not exceed such other limits as may be applicable at any given time under Section 401(a)(17) of  
47 the Internal Revenue Code.

48 8. If the amount of any benefit is to be determined on the basis of actuarial assumptions  
49 that are not otherwise specifically set forth for that purpose in sections 86.900 to 86.1280, the  
50 actuarial assumptions to be used are those earnings and mortality assumptions being used on the  
51 date of the determination by the retirement system's actuary and approved by the retirement  
52 board. The actuarial assumptions being used at any particular time shall be attached as an  
53 addendum to a copy of the retirement system's statute that is maintained by the retirement board  
54 and shall be treated for all purposes as a part of sections 86.900 to 86.1280. The actuarial  
55 assumptions may be changed by the retirement system's actuary annually if approved by the

56 retirement board, but a change in actuarial assumptions shall not result in any decrease in  
57 benefits accrued as of the effective date of the change.

58 9. Any member or beneficiary who is entitled to receive any distribution that is an  
59 eligible rollover distribution, as defined by Section 402(c)(4) of the Internal Revenue Code, is  
60 entitled to have that distribution transferred directly to another eligible retirement plan of the  
61 member's or beneficiary's choice upon providing direction to the secretary of this retirement  
62 system regarding the transfer in accordance with procedures established by the retirement board.

63 10. For all distributions made after December 31, 2001:

64 (1) For the purposes of subsection 9 of this section, an eligible retirement plan shall also  
65 mean an annuity contract described in Section 403(b) of the Internal Revenue Code and an  
66 eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by the state,  
67 political subdivision of a state, or any agency or instrumentality of a state or political subdivision  
68 of a state and which agrees to separately account for amounts transferred into such plan from the  
69 retirement system. The definition of eligible retirement plan shall also apply in the case of a  
70 distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee  
71 under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue  
72 Code; and

73 (2) For purposes of subsection 9 of this section, a portion of a distribution shall not fail  
74 to be an eligible rollover distribution merely because the portion consists of after-tax employee  
75 contributions which are not includable in gross income. However, such portion may be paid only  
76 to an individual retirement account or annuity described in Section 408(a) or 408(b) of the  
77 Internal Revenue Code, or to a qualified defined contribution plan described in Section 401(a)  
78 or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so  
79 transferred, including separately accounting for the portion of such distribution that is includable  
80 in gross income and the portion of such distribution that is not so includable.

86.1310. The following words and phrases as used in sections 86.1310 to 86.1640 shall  
2 have the following meanings unless a different meaning is plainly required by the context:

3 (1) "Accumulated contributions", the sum of all amounts deducted from the  
4 compensation of a member and paid to the retirement board, together with all amounts paid to  
5 the retirement board by a member or by a member's beneficiary for the purchase of prior service  
6 credits or any other purpose permitted under sections 86.1310 to 86.1640, in all cases with  
7 interest, if any, thereon at a rate determined from time to time for such purpose by the retirement  
8 board;

9 (2) "Actuarial cost", the present value of a future payment or series of payments as  
10 calculated by applying the actuarial assumptions established according to subsection 8 of section  
11 86.1630;

12 (3) "Beneficiary", any person entitled, either currently or conditionally, to receive  
13 pension or other benefits provided in sections 86.1310 to 86.1640;

14 (4) "Board of police commissioners", the board composed of police commissioners  
15 authorized by law to employ and manage an organized police force in the cities;

16 (5) "City" or "cities", any city which now has or may hereafter have a population of more  
17 than three hundred thousand and less than seven hundred thousand inhabitants, or any city that  
18 has made an election under section 86.1320 to continue a civilian employees' retirement system  
19 theretofore maintained under sections 86.1310 to 86.1640;

20 (6) "Compensation", the basic wage or salary paid a member for any period, excluding  
21 bonuses, overtime pay, expense allowances, and other extraordinary compensation; except that,  
22 notwithstanding such provision, compensation for any year for any member shall not exceed the  
23 amount permitted to be taken into account under Section 401(a)(17) of the Internal Revenue  
24 Code as applicable to such year;

25 (7) "Consultant", unless otherwise specifically defined, means a person retained by the  
26 retirement system as a special consultant on the problems of retirement, aging and related matters  
27 who, upon request of the retirement board, shall give opinions and be available to give opinions  
28 in writing or orally in response to such requests, as may be needed by the board;

29 (8) "Creditable service", service qualifying as a determinant of a member's pension or  
30 other benefit under sections 86.1310 to 86.1640 by meeting the requirements specified in such  
31 sections, or section 105.691;

32 (9) "Employee", any regularly appointed civilian employee of the police department of  
33 the city as specified in sections 86.1310 to 86.1640 who is:

34 (a) Appointed prior to August 28, 2011, and is not eligible to receive a pension from the  
35 police retirement system of said city;

36 (b) Appointed on or after August 28, 2011, and is not eligible to receive a pension from  
37 the police retirement system of such city or from any other retirement or pension system of such  
38 city;

39 (10) "Final compensation"[,] :

40 **(a) For a Tier I member as described in subdivision (13) of this section,** the average  
41 annual compensation of a member during the member's service if less than two years, or the  
42 twenty-four months of service for which the member received the highest salary whether  
43 consecutive or otherwise[.] ;

44 **(b) For a Tier II member as described in subdivision (13) of this section, the**  
45 **average annual compensation of a member during the member's service if less than three**  
46 **years, or the thirty-six months of service for which the member received the highest salary**  
47 **whether consecutive or otherwise;**

48 (c) For any period of time when a member is paid on a frequency other than monthly,  
49 the member's salary for such period shall be deemed to be the monthly equivalent of the  
50 member's annual rate of compensation for such period;

51 (11) "Internal Revenue Code", the United States Internal Revenue Code of 1986, as  
52 amended;

53 (12) "Medical board", not less than one nor more than three physicians appointed by the  
54 retirement board to arrange for and conduct medical examinations as directed by the retirement  
55 board;

56 (13) "Member", a member of the civilian employees' retirement system as described in  
57 section 86.1480[;] :

58 (a) **"Tier I member", any person who became a member prior to August 28, 2013,**  
59 **and who remains a member on August 28, 2013, shall remain a Tier I member until such**  
60 **member's membership is terminated as described in section 86.1520;**

61 (b) **"Tier I surviving spouse", the surviving spouse of a Tier I member;**

62 (c) **"Tier II member", any person who became a member on or after August 28,**  
63 **2013;**

64 (d) **"Tier II surviving spouse", the surviving spouse of a Tier II member;**

65 (e) **Any person whose membership is terminated as described in section 86.1520**  
66 **and who re-enters membership on or after August 28, 2013, shall become a member under**  
67 **paragraph (c) of this subdivision;**

68 (14) "Pension", annual payments for life, payable monthly, at the times described in  
69 section 86.1420;

70 (15) "Pension fund", the fund resulting from contributions made thereto by the cities  
71 affected by sections 86.1310 to 86.1640 and by the members of the civilian employees'  
72 retirement system;

73 (16) "Retirement", termination of a member's status as an employee of the police  
74 department of the city at a time when the member or the member's beneficiary is immediately  
75 entitled to one or more benefits under sections 86.1310 to 86.1640;

76 (17) "Retirement board" or "board", the board provided in section 86.1330 to administer  
77 the retirement system;

78 (18) "Retirement system", the civilian employees' retirement system of the police  
79 department of the cities as defined in section 86.1320;

80 (19) "Surviving spouse", when determining whether a person is entitled to benefits under  
81 sections 86.1310 to 86.1640 by reason of surviving a member, shall include only:

82 (a) The person who was married to the member at the time of the member's death in  
83 service prior to August 28, 2001, and who had not remarried prior to August 28, 2001;

84 (b) The person who was married to the member at the time of the member's death in  
85 service on or after August 28, 2001;

86 (c) In the case of any member who both retired and died prior to August 28, 2001, the  
87 person who was married to the member at the time of the member's death and who had not  
88 remarried prior to August 28, 2001;

89 (d) In the case of any member who retired prior to August 28, 2001, and died on or after  
90 that date, the person who was married to the member at the time of the member's death; or

91 (e) In the case of any member who retired on or after August 28, 2001, the person who  
92 was married to the member at both the time of the member's retirement and the time of the  
93 member's death.

86.1380. The retirement board shall before [January tenth] **October fifteenth** of each  
2 year certify to the chief financial officer of such city the amount to be paid by the city to the  
3 retirement pension system for the succeeding fiscal year, as otherwise provided by sections  
4 86.1310 to 86.1640.

86.1420. 1. All benefits and all necessary administrative expenses of the retirement  
2 system shall be paid from the funds of the retirement system.

3 2. The base pension of a member who, after August 28, 2011, retires from or otherwise  
4 terminates active service with entitlement to a base pension under sections 86.1310 to 86.1640  
5 shall commence as of the first day of the month next following such retirement or termination  
6 with no proration of such pension for the month in which such retirement or termination occurs.  
7 The supplemental retirement benefit of a member who, after August 28, 2011, retires from or  
8 otherwise terminates active service with entitlement to a supplemental retirement benefit  
9 provided in subsection 1 of section 86.1600 shall commence as of the first day of the month next  
10 following such retirement or termination with no proration of such supplemental retirement  
11 benefit for the month in which such retirement or termination occurs.

12 3. Upon the death of a member in service who leaves a surviving spouse, as defined in  
13 section 86.1310, entitled to benefits, any base pension which such surviving spouse shall elect  
14 under subdivision (2) of subsection 1 of section 86.1610 or under paragraph (b) of subdivision  
15 (3) of subsection 1 of section 86.1610 shall commence the later of the first day of the month next  
16 following such death or the first day of the month following the date which would have been the  
17 member's earliest possible retirement date permitted under [subsection] **subsections 2 or 3** of  
18 section 86.1540 with no proration of such pension for the month prior to such commencement  
19 date. Any base pension which such surviving spouse shall elect under paragraph (c) of  
20 subdivision (3) of subsection 1 of section 86.1610 shall commence the first day of the month  
21 next following such death with no proration of such pension for the month prior to such  
22 commencement date.

23           4. Upon the death of a member who is receiving a base pension under sections 86.1310  
24 to 86.1640 leaving a surviving spouse, as defined in section 86.1310, entitled to benefits, the  
25 pension of such surviving spouse shall commence on the first day of the month next following  
26 such death with no proration for the month in which such death occurs.

27           5. All payments of any benefit shall be paid on the first business day of each month for  
28 that month. For any benefit under sections 86.1310 to 86.1640, the retirement system shall  
29 withhold payment of such benefit until all requisite documentation has been filed with the  
30 retirement system evidencing the entitlement of the payee to such payment. The final payment  
31 due to a retired member shall be the payment due on the first day of the month in which such  
32 member's death occurs. The final payment due to any surviving spouse shall be the payment due  
33 on the first day of the month in which such surviving spouse dies or otherwise ceases to be  
34 entitled to benefits under sections 86.1310 to 86.1640.

35           6. If no benefits are otherwise payable to a surviving spouse of a deceased member or  
36 otherwise as provided in this section, the member's accumulated contributions, to any extent not  
37 fully paid to such member prior to the member's death or to the surviving spouse of such member  
38 or otherwise as provided in this section, shall be paid in one lump sum to the member's  
39 beneficiary named by such member in a writing filed with the retirement system prior to the  
40 member's death for the purpose of receiving such benefit, and if no beneficiary is named, then  
41 to such member's estate. Such payment shall constitute full and final payment of any and all  
42 claims for benefits under the retirement system, except as provided in section 86.1620.

          86.1500. 1. Whenever a member is given a leave of absence for military service and  
2 returns to employment after discharge from the service, such member shall be entitled to  
3 creditable service for the years of employment prior to the leave of absence.

4           2. Except as provided in subsection 3 of this section, a member who served on active  
5 duty in the Armed Forces of the United States and who became a member, or returned to  
6 membership, after discharge under honorable conditions, may elect prior to retirement to  
7 purchase creditable service equivalent to such service in the Armed Forces, not to exceed two  
8 years, provided the member is not receiving and is not eligible to receive retirement credits or  
9 benefits from any other public or private retirement plan for the service to be purchased, other  
10 than a United States military service retirement system or United States Social Security benefits  
11 attributable to such military service, and an affidavit so stating is filed by the member with the  
12 retirement system. A member electing to make such purchase shall pay to the retirement system  
13 an amount equal to the actuarial cost of the additional benefits attributable to the additional  
14 service credit to be purchased, as of the date the member elects to make such purchase. Payment  
15 in full of the amount due from a member electing to purchase creditable service under this  
16 subsection shall be made over a period not to exceed five years, measured from the date of

17 election, or prior to the commencement date for payment of benefits to the member from the  
18 retirement system, whichever is earlier, including interest on unpaid balances compounded  
19 annually at the interest rate assumed from time to time for actuarial valuations of the retirement  
20 system. If payment in full including interest is not made within the prescribed period, any partial  
21 payments made by the member shall be refunded, and no creditable service attributable to such  
22 election, or as a result of any such partial payments, shall be allowed; provided that if a benefit  
23 commencement date occurs because of the death or disability of a member who has made an  
24 election under this subsection and if the member is current in payments under an approved  
25 installment plan at the time of the death or disability, such election shall be valid if the member,  
26 the surviving spouse or other person entitled to benefit payments pays the entire balance of the  
27 remaining amount due, including interest to the date of such payment, within sixty days after the  
28 member's death or disability. The time of a disability shall be deemed to be the time when such  
29 member is determined by the retirement board to be totally and permanently disabled as provided  
30 in section 86.1560.

31         3. Notwithstanding any other provision of sections 86.1310 to 86.1640, a member who  
32 is on leave of absence for military service during any portion of which leave the United States  
33 is in a state of declared war, or a compulsory draft is in effect for any of the military branches  
34 of the United States, or any units of the military reserves of the United States, including the  
35 National Guard, are mobilized for combat military operations, and who becomes entitled to  
36 reemployment rights and other employment benefits under Title 38, Chapter 43 of the U.S. Code,  
37 relating to employment and reemployment rights of members of the uniformed services by  
38 meeting the requirements for such rights and benefits under Section 4312 of said chapter, or the  
39 corresponding provisions of any subsequent applicable federal statute, shall be entitled to service  
40 credit for the time spent in such military service for all purposes of sections 86.1310 to 86.1640  
41 and such member shall not be required to pay any member contributions for such time. If it  
42 becomes necessary for the years of such service to be included in the calculation of such  
43 member's compensation for any purpose, such member shall be deemed to have received the  
44 same compensation throughout such period of service as the member's base annual salary  
45 immediately prior to the commencement of such leave of absence; **provided, however, that the**  
46 **foregoing provisions of this subsection shall apply only to such portion of such leave with**  
47 **respect to which the cumulative length of the absence and of all previous absences from a**  
48 **position of employment with the employer by reason of service in the uniformed services**  
49 **does not exceed five years except for such period of any such excess as meets the**  
50 **requirements for exceptions to such five-year limitation set forth in the aforesaid Section**  
51 **4312.**

86.1530. The normal retirement date of a member shall be the later of:

2           **(1) Tier I member** - the date such member attains the age of sixty-five years, or the tenth  
3 anniversary of such member's employment; **or**

4           **(2) Tier II member** - the date such member attains the age of sixty-seven years, or  
5 **the twentieth anniversary of such member's employment.**

          86.1540. 1. (1) Upon retirement on or after a member's normal retirement date, such  
2 member shall receive a base pension in the amount of two percent of such member's final  
3 compensation times the number of years, including fractions thereof, of such member's creditable  
4 service.

5           (2) Such member may elect to receive a different base pension under an election  
6 permitted under this section or section 86.1580.

7           2. **Tier I** members may elect early retirement as follows:

8           (1) Beginning at age fifty-five, if the member has completed at least ten years of  
9 creditable service or at any later age after the member has completed at least ten years of  
10 creditable service. Unless subdivision (3) of this subsection shall be applicable, the benefit as  
11 computed under subsection 1 of this section shall be reduced by one-half of one percent for each  
12 full month the initial payment is prior to the first day of the month following that in which such  
13 member will attain age sixty;

14           (2) Beginning at age sixty, if the member has completed at least five but not more than  
15 ten years of creditable service or at any later age after the member has completed at least five  
16 years of creditable service. Unless subdivision (3) of this subsection shall be applicable, the  
17 benefit as computed under subsection 1 of this section shall be reduced by one-half of one  
18 percent for each full month the initial payment is prior to the first day of the month following that  
19 in which such member will attain age sixty-five; or

20           (3) At any time after the member's total of age and years of creditable service equals or  
21 exceeds eighty, in which event the benefit shall be as computed under subsection 1 of this section  
22 without any reduction. If an election for early retirement results in a reduced benefit under  
23 subdivision (1) or (2) of this subsection, such reduced benefit shall become the member's base  
24 pension, subject to all other adjustments described in this section.

25           3. **Tier II** members may elect early retirement as follows:

26           **(1) Beginning at age sixty-two, if the member has completed at least five years of**  
27 **creditable service, the benefit as computed under subsection 1 of this section shall be**  
28 **reduced by one-half of one percent for each full month the initial payment is prior to the**  
29 **first day of the month following that in which such member will attain age sixty-seven; or**

30           **(2) At any time after the member has completed at least twenty years of creditable**  
31 **service and is at least sixty-two years of age, in which event the benefit shall be as**  
32 **computed under subsection 1 of this section without any reduction; or**

33           **(3) At any time after the member's total of age and years of creditable service**  
34 **equals or exceeds eighty-five, in which event the benefit shall be as computed under**  
35 **subsection 1 of this section without any reduction. If an election for early retirement**  
36 **results in a reduced benefit under subdivision (1) of this subsection, such reduced benefit**  
37 **shall become the member's base pension, subject to all other adjustments described in this**  
38 **section.**

39           **4. (1)** A member who is married at the time of retirement may by a written election, with  
40 the written consent of such member's spouse, elect an optional benefit calculated as follows:  
41 such optional benefit shall be a monthly pension in the initial amount which shall be actuarially  
42 equivalent to the actuarial value of the pension described in subdivision (1) of subsection 1 of  
43 this section for such member at the date of retirement (including the value of survivorship rights  
44 of a surviving spouse, where applicable, under section 86.1610), upon the basis that the initial  
45 annuity for the member's spouse, if such spouse survives the member, shall be the same as the  
46 amount being paid the member on such annuity at the member's death, and, subject to  
47 cost-of-living adjustments thereafter declared on the spouse's base pension under section  
48 86.1590, shall be paid to such surviving spouse for the lifetime of such spouse without regard  
49 to remarriage. If a member who makes an election of an optional benefit under this subsection  
50 has also elected an early retirement under either subdivision (1) or (2) of subsection 2 of this  
51 section **or subdivision (1) of subsection 3 of this section**, any reduction in benefit required for  
52 such early retirement election shall be calculated before calculating the initial amount of the  
53 optional benefit under this subsection.

54           **(2)** If a member who makes the election permitted by this subsection also makes an  
55 election permitted under section 86.1580, such optional benefit shall be reduced as provided in  
56 subdivision (3) of subsection 2 of section 86.1580.

57           **(3)** If a member makes the election permitted by this subsection, the amount calculated  
58 for such optional benefit under either subdivision (1) or (2) of this subsection shall be the base  
59 pension for such member and for such member's spouse for all purposes of sections 86.1310 to  
60 86.1640.

61           **(4)** An election for an optional benefit under this subsection shall be void if the member  
62 dies within thirty days after filing such election with the retirement system or if the member dies  
63 before the due date of the first payment of such member's pension.

64           **[4.] 5.** Subject to the provisions of subsection [6] 7 of this section, whenever the service  
65 of a member is terminated after August 28, 1999, for any reason prior to death or retirement and  
66 the member has five or more years of creditable service, the member may elect not to withdraw  
67 such member's accumulated contributions and shall become entitled to receive a pension upon  
68 such member's normal retirement date under subdivision (1) of subsection 1 of this section or

69 may elect to receive a pension commencing upon or after any date, prior to his or her normal  
70 retirement date, upon which early retirement would have been permitted under subsection 2 of  
71 this section **for Tier I members or subsection 3 of this section for Tier II members** if such  
72 member had remained a civilian employee of such police department, except that in calculating  
73 any qualification under [subsection] **subsections 2 or 3** of this section, such member shall not  
74 be entitled to count any year of creditable service in excess of such member's total years of  
75 creditable service at the time of such member's termination of employment. The amount of any  
76 pension commenced upon the basis of a date permitted under [subsection] **subsections 2 or 3**  
77 of this section shall be computed on the basis of the member's final compensation and number  
78 of years of creditable service, subject to such adjustments as may be applicable under the  
79 subdivision of [subsection] **subsections 2 or 3** of this section upon which such member relies  
80 in electing such member's pension and subject to any other adjustments that such member may  
81 elect under this section. The amount of the initial pension calculated after all applicable  
82 adjustments shall be the base pension for such member, and for such member's spouse if such  
83 member shall elect the optional benefit permitted under subsection [3] **4** of this section, for all  
84 purposes of sections 86.1310 to 86.1640. Payment of any benefits elected under this subsection  
85 shall commence as of the first day of the month next following the applicable date with no  
86 proration of such benefit for any initial partial month.

87 [5.] **6.** A member whose service was terminated on or before August 28, 1999, after five  
88 or more years of creditable service, and who permitted such member's accumulated contributions  
89 to remain in the pension fund, shall upon application to the retirement board be appointed as a  
90 consultant. For services as such consultant, such member shall, beginning the later of August  
91 28, 1999, or the time of such appointment under this subsection, be entitled to elect to receive  
92 compensation in such amount and at such time as such member would have been entitled to elect  
93 under any of the provisions of subsection [4] **5** of this section if such member had terminated  
94 service after August 28, 1999. Such member shall be entitled to the same cost-of-living  
95 adjustments following the commencement of such compensation as if such member's  
96 compensation had been a base pension.

97 [6.] **7.** Notwithstanding any other provisions of sections 86.1310 to 86.1640, any member  
98 who is convicted of a felony prior to separation from active service shall not be entitled to any  
99 benefit from this retirement system except the return of such member's accumulated  
100 contributions.

86.1580. 1. Any member in active service entitled to commence a pension under section  
2 86.1540 may elect an optional distribution under the partial lump sum option plan provided in  
3 this section if the member:

4 (1) Notifies the retirement system in writing of the member's retirement date at least  
5 ninety days in advance thereof and requests an explanation of the member's rights under this  
6 section; and

7 (2) Notifies the retirement system of the member's election hereunder at least thirty days  
8 in advance of the retirement date.

9

10 Following receipt of an initial notice of a member's retirement date and request for an  
11 explanation, the retirement system shall, at least sixty days in advance of such retirement date,  
12 provide the member a written explanation of such member's rights under this section and an  
13 estimate of the amount by which the member's regular monthly base pension would be reduced  
14 in the event of the member's election of any of the options available to the member under this  
15 section.

16 2. (1) A member entitled to make an election under this section may elect to receive a  
17 lump sum distribution with the member's initial monthly pension payment under section 86.1540,  
18 subject to all the terms of this section. The member may elect the amount of the member's lump  
19 sum distribution from one, but not more than one, of the following options for which the member  
20 qualifies:

21 (a) A member having one or more years of creditable service after the member's eligible  
22 retirement date may elect a lump sum amount equal to twelve times the initial monthly base  
23 pension the member would receive if no election were made under this section;

24 (b) A member having two or more years of creditable service after the member's eligible  
25 retirement date may elect a lump sum amount equal to twenty-four times the initial monthly base  
26 pension the member would receive if no election were made under this section; or

27 (c) A member having three or more years of creditable service after the member's eligible  
28 retirement date may elect a lump sum amount equal to thirty-six times the initial monthly base  
29 pension the member would receive if no election were made under this section.

30

31 For purposes of this section, "eligible retirement date" for a member shall mean the earliest date  
32 on which the member could elect to retire and be entitled to receive a pension under section  
33 86.1540.

34 (2) When a member makes an election to receive a lump sum distribution under this  
35 section, the base pension that the member would have received in the absence of an election shall  
36 be reduced on an actuarially equivalent basis to reflect the payment of the lump sum distribution,  
37 and the reduced base pension shall be the member's base pension thereafter for all purposes  
38 relating to base pension amounts under sections 86.1310 to 86.1640, unless the member has also  
39 elected an optional benefit permitted under subsection [3] 4 of section 86.1540.

40 (3) If a member electing a lump sum distribution under this section has elected the  
41 optional benefit permitted under subsection [3] 4 of section 86.1540, the calculation of the  
42 member's pension shall be made in the following order:

43 (a) The amount of the member's normal pension under subdivision (1) of subsection 1  
44 of section 86.1540 shall be reduced if applicable by any reductions required under [subsection]  
45 **subsections 2 or 3** of section 86.1540;

46 (b) The amount of the pension as determined under paragraph (a) of this subdivision  
47 shall be reduced to the actuarially equivalent amount to produce the optional form of benefit  
48 described in subdivision (1) of subsection [3] 4 of section 86.1540;

49 (c) The amount of reduced pension as determined under paragraph (b) of this subdivision  
50 shall be further reduced as required to produce an actuarially equivalent benefit in the form of  
51 the lump sum distribution option elected under this section and a remaining monthly annuity  
52 which shall be paid on the basis that the initial annuity for the member's spouse, if such spouse  
53 survives the member, shall be the same as the amount being paid the member on this annuity at  
54 the member's death, and, subject to cost-of-living adjustments thereafter declared on the spouse's  
55 base pension under section 86.1590, shall be paid to such surviving spouse for the lifetime of  
56 such spouse without regard to remarriage.

57 3. An election under this section to receive a lump sum distribution and reduced monthly  
58 base pension shall be void if the member dies before retirement, in which case amounts due a  
59 surviving spouse or other beneficiary of the member shall be determined without regard to such  
60 election.

86.1590. 1. Provided that the retirement system shall remain actuarially sound, each of  
2 the following persons may receive each year, in addition to such person's base pension, a  
3 cost-of-living adjustment in an amount not to exceed three percent of such person's base pension  
4 during any one year:

5 (1) Every member who is retired and receiving a base pension from this retirement  
6 system; and

7 (2) Every surviving spouse who is receiving a base pension from this retirement system.

8 2. Upon the death of a member who has been retired and receiving a pension, and who  
9 dies after August 28, 2001, the surviving spouse of such member entitled to receive a base  
10 pension under section 86.1610 shall receive an immediate percentage cost-of-living adjustment  
11 to his or her base pension equal to the total percentage cost-of-living adjustments received during  
12 such member's lifetime under this section, but such adjustment shall not be deemed to change  
13 the base pension amount to which subsequent cost-of-living adjustments may be made.

14 3. For purposes of this section, the term "base pension" shall mean:

15 (1) For a member, the pension computed under the provisions of the law as of the date  
16 of retirement without regard to cost-of-living adjustments, as adjusted if applicable, for any  
17 optional elections made under sections 86.1540 and 86.1580, but in all events not including any  
18 supplemental benefit under section 86.1600;

19 (2) For a surviving spouse whose pension is prescribed by section 86.1610, the base  
20 pension calculated for such spouse in accordance with the provisions of section 86.1610,  
21 including any compensation as a consultant to which such surviving spouse is entitled under said  
22 section in lieu of a pension, but not including any supplemental benefit under section 86.1600;

23 (3) For a surviving spouse entitled to the continuation of an optional benefit elected  
24 under subsection [3] 4 of section 86.1540, the base pension determined in accordance with  
25 subdivision (3) of subsection [3] 4 of section 86.1540.

26 4. The cost-of-living adjustment shall be an increase or decrease computed on the base  
27 pension amount by the retirement board in an amount that the board, in its discretion, determines  
28 to be satisfactory, but in no event shall the adjustment be more than three percent or reduce the  
29 pension to an amount less than the base pension. In determining and granting the cost-of-living  
30 adjustments, the retirement board shall adopt such rules and regulations as may be necessary to  
31 effectuate the purposes of this section, including provisions for the manner of computation of  
32 such adjustments and the effective dates thereof. The retirement board shall provide for such  
33 adjustments to be determined once each year and granted on a date or dates to be chosen by the  
34 board, and may apply such adjustments in full to members who have retired during the year prior  
35 to such adjustments but who have not been retired for one full year and to the surviving spouse  
36 of a member who has died during the year prior to such adjustments.

37 5. The determination of whether the retirement system will remain actuarially sound  
38 shall be made at the time any cost-of-living adjustment is granted. If at any time the retirement  
39 system ceases to be actuarially sound, pension payments shall continue as adjusted by increases  
40 theretofore granted. A member of the retirement board shall have no personal liability for  
41 granting increases under this section if that retirement board member in good faith relied and  
42 acted upon advice of a qualified actuary that the retirement system would remain actuarially  
43 sound.

86.1610. 1. Upon receipt of the proper proofs of death of a member in service for any  
2 reason whatsoever, the following amounts shall be payable subject to subsection 4 of this  
3 section, and if a pension shall be elected, the initial amount thereof shall be the base pension for  
4 such surviving spouse:

5 (1) If the member has less than five years of creditable service, the member's surviving  
6 spouse shall be paid, in one lump sum, the amount of the member's accumulated contributions.

7 If there is no surviving spouse, the member's accumulated contributions shall be paid as provided  
8 in subsection 6 of section 86.1420;

9 (2) If the member has at least five but fewer than twenty years of creditable service, the  
10 member's surviving spouse may elect the lump sum settlement in subdivision (1) of this  
11 subsection or a pension. Such pension shall be fifty percent of the member's accrued pension at  
12 date of death as computed in subdivision (1) of subsection 1 of section 86.1540, commencing  
13 as provided in subsection 3 of section 86.1420;

14 (3) If the member has at least twenty years of creditable service, the member's surviving  
15 spouse may elect any one of:

16 (a) The lump sum settlement in subdivision (1) of this subsection;

17 (b) The pension as computed in subdivision (2) of this subsection; or

18 (c) A pension in the monthly amount determined on a joint and survivor's basis from the  
19 actuarial value of the member's accrued annuity at date of death;

20 (4) Any death of a retired member occurring before the first payment of the retirement  
21 pension shall be deemed to be a death prior to retirement;

22 (5) For the surviving spouse of a member who died in service after August 28, 2001,  
23 benefits payable under subsection 1 of this section shall continue for the lifetime of such  
24 surviving spouse without regard to remarriage.

25 2. Upon death of a member after retirement who has not elected the optional annuity  
26 permitted under subsection [3] 4 of section 86.1540, the surviving spouse shall receive a base  
27 pension payable for life, equaling fifty percent of the member's base pension, as of the member's  
28 retirement date, subject to the following:

29 (1) No surviving spouse of a member who retires after August 28, 2001, shall be entitled  
30 to receive any benefits under sections 86.1310 to 86.1640 unless such spouse was married to the  
31 member at the time of the member's retirement; and

32 (2) Any surviving spouse who was married to such a member at the time of the member's  
33 retirement shall be entitled to all benefits for surviving spouses under sections 86.1310 to  
34 86.1640 for the life of such surviving spouse without regard to remarriage.

35 3. In the case of any member who, prior to August 28, 2001, died in service or retired,  
36 the surviving spouse who would qualify for benefits under subsection 1 or 2 of this section but  
37 for remarriage, and has not remarried prior to August 28, 2001, but remarries thereafter, shall  
38 upon application be appointed by the retirement board as a consultant. For services as such  
39 consultant, such surviving spouse shall be compensated in an amount equal to the benefits such  
40 spouse would have received under sections 86.1310 to 86.1640 in the absence of such  
41 remarriage.

42 4. Any beneficiary of benefits under sections 86.1310 to 86.1640 who becomes the  
43 surviving spouse of more than one member shall be paid all benefits due a surviving spouse of  
44 that member whose entitlements produce the largest surviving spouse benefits for such  
45 beneficiary but shall not be paid surviving spouse benefits as the surviving spouse of more than  
46 one member, except that any surviving spouse for whom an election has been made for an  
47 optional benefit under subsection [3] 4 of section 86.1540 shall be entitled to every optional  
48 benefit for which such surviving spouse has so contracted.

86.1630. 1. A retirement plan under sections 86.1310 to 86.1640 is a qualified plan  
2 under the provisions of applicable federal law. The benefits and conditions of a retirement plan  
3 under sections 86.1310 to 86.1640 shall always be adjusted to ensure that the tax-exempt status  
4 is maintained.

5 2. The retirement board shall administer this retirement system in such manner as to  
6 retain at all times qualified status under Section 401(a) of the Internal Revenue Code.

7 3. The retirement board shall hold in trust the assets of the retirement system for the  
8 exclusive benefit of the members and their beneficiaries and for defraying reasonable  
9 administrative expenses of the system. No part of such assets shall, at any time prior to the  
10 satisfaction of all liabilities with respect to members and their beneficiaries, be used for or  
11 diverted to any purpose other than such exclusive benefit or to any purpose inconsistent with  
12 sections 86.1310 to 86.1640.

13 4. A member's benefit shall be one hundred percent vested and nonforfeitable upon the  
14 member's attainment of normal retirement age, which shall be the earlier of:

15 (1) The attaining of the age of sixty-five or the member's tenth anniversary of  
16 employment, whichever is later **for any Tier I member, or the attaining of the age of sixty-**  
17 **seven or the member's twentieth anniversary of employment, whichever is later for any**  
18 **Tier II member;**

19 (2) **For any Tier I member** when the total sum of age and years of **creditable** service  
20 equals or exceeds eighty, **or for any Tier II member when the total sum of age and years of**  
21 **creditable service equals or exceeds eighty-five;** or

22 (3) To the extent funded, upon the termination of the system established under sections  
23 86.1310 to 86.1640 or any partial termination which affects the member or any complete  
24 discontinuance of contributions by the city to the system.

25

26 Amounts representing forfeited nonvested benefits of terminated members shall not be used to  
27 increase benefits payable from the system but may be used to reduce contributions for future plan  
28 years.

29           5. Distribution of benefits shall begin not later than April first of the year following the  
30 later of the calendar year during which the member becomes seventy and one-half years of age  
31 or the calendar year in which the member retires, and shall otherwise conform to Section  
32 401(a)(9) of the Internal Revenue Code.

33           6. A member or beneficiary of a member shall not accrue a service retirement annuity,  
34 disability retirement annuity, death benefit, whether death occurs in the line of duty or otherwise,  
35 or any other benefit under sections 86.1310 to 86.1640 in excess of the benefit limits applicable  
36 to the fund under Section 415 of the Internal Revenue Code. The retirement board shall reduce  
37 the amount of any benefit that exceeds the limits of this section by the amount of the excess. If  
38 the total benefits under the retirement system and the benefits and contributions to which any  
39 member is entitled under any other qualified plan or plans maintained by the board of police  
40 commissioners that employs the member would otherwise exceed the applicable limits under  
41 Section 415 of the Internal Revenue Code, the benefits the member would otherwise receive  
42 from the retirement system are reduced to the extent necessary to enable the benefits to comply  
43 with Section 415 of the Internal Revenue Code.

44           7. The total salary taken into account for any purpose for any member of the retirement  
45 system shall not exceed two hundred thousand dollars per year, subject to periodic adjustments  
46 in accordance with guidelines provided by the United States Secretary of the Treasury and may  
47 not exceed such other limits as may be applicable at any given time under Section 401(a)(17) of  
48 the Internal Revenue Code.

49           8. If the amount of any benefit is determined on the basis of actuarial assumptions that  
50 are not specifically set forth for that purpose in sections 86.1310 to 86.1640, the actuarial  
51 assumptions to be used are those earnings and mortality assumptions used on the date of the  
52 determination by the retirement system's actuary and approved by the retirement board. The  
53 actuarial assumptions used at any particular time shall be attached as an addendum to a copy of  
54 the retirement system's statute maintained by the retirement board and shall be treated for all  
55 purposes as part of sections 86.1310 to 86.1640. The actuarial assumptions may be changed by  
56 the retirement system's actuary annually if approved by the retirement board, but a change in  
57 actuarial assumptions shall not result in any decrease in benefits accrued as of the effective date  
58 of the change.

59           9. Any member or beneficiary who is entitled to receive any distribution that is an  
60 eligible rollover distribution, as defined by Section 402(c)(4) of the Internal Revenue Code, is  
61 entitled to have that distribution transferred directly to another eligible retirement plan of the  
62 member's or beneficiary's choice upon providing direction to the secretary of the retirement  
63 system regarding the transfer in accordance with procedures established by the retirement board.

64           10. For all distributions made after December 31, 2001:

65 (1) For the purposes of subsection 9 of this section, an eligible retirement plan shall also  
66 mean an annuity described in Section 403(b) of the Internal Revenue Code and an eligible plan  
67 under Section 457(b) of the Internal Revenue Code that is maintained by a state, political  
68 subdivision of a state, or any agency or instrumentality of a state or political subdivision of a  
69 state and which agrees to separately account for amounts transferred into such plan from the  
70 retirement system. The definition for eligible retirement plan shall also apply in the case of a  
71 distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee  
72 under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue  
73 Code; and

74 (2) For the purposes of subsection 9 of this section, a portion of a distribution shall not  
75 fail to be an eligible rollover distribution merely because the portion consists of after-tax  
76 employee contributions which are not includable in gross income. However, such portion may  
77 be paid only to an individual retirement account or annuity described in Section 408(a) or 408(b)  
78 of the Internal Revenue Code, or to a qualified defined contribution plan described in Section  
79 401(a) or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so  
80 transferred, including separately accounting for the portion of such distribution that is includable  
81 in gross income and the portion of such distribution that is not so includable.

103.025. The board shall arrange for annual audits of the records and accounts of the  
2 plan by a certified public accountant or firm of certified public accountants. [The state auditor  
3 shall examine such audits at least once every three years and report to the board and the  
4 governor.]

104.190. 1. The board shall keep a complete record of all its proceedings, which shall  
2 be open at all reasonable hours to the inspection of any member. A statement covering the  
3 operations of the system for the year, including income and disbursements, and the financial  
4 condition of the system at the end of the year, showing the actuarial valuation and appraisal of  
5 its assets and liabilities, as of July first, shall each year be delivered to the governor of Missouri  
6 and be made readily available to the members.

7 2. A system of member employment records necessary for the calculation of retirement  
8 benefits shall be kept separate and apart from the customary employee employment records.

9 3. The principal office of the system shall be located in Jefferson City. The system shall  
10 have a seal bearing the inscription "Transportation Department Employees' and Highway Patrol  
11 Retirement System", which shall be in the custody of its executive director. The courts of this  
12 state shall take judicial notice of the seal; and all copies of records, books, and written  
13 instruments which are kept in the office of the system and are certified by the executive director  
14 under said seal shall be proved or admitted in any court or proceeding as provided by section  
15 109.130.

16           4. The board shall arrange for annual audits of the records and accounts of the system  
17 by a certified public accountant or by a firm of certified public accountants. [The state auditor  
18 shall examine such audits at least once every three years and report to the board and the  
19 governor.]

          104.480. 1. The board shall keep a complete record of all its proceedings, which shall  
2 be open at all reasonable hours to the inspection of any member.

3           2. A statement covering the operations of the system for the year, including income and  
4 disbursements, and of the financial condition of the system at the end of the year, showing the  
5 actuarial valuation and appraisal of its assets and liabilities, as of July first, shall each year be  
6 delivered to the governor of Missouri and be made readily available to the members.

7           3. The principal office of the system shall be in Jefferson City. The system shall have  
8 a seal bearing the inscription "Missouri State Employees' Retirement System", which shall be  
9 in the custody of its director. The courts of this state shall take judicial notice of the seal; and  
10 all copies of records, books, and written instruments which are kept in the office of the system  
11 and are certified by the director under the seal shall be proved or admitted in any court or  
12 proceeding as provided by section 109.130.

13           4. The board shall arrange for annual audits of the records and accounts of the system  
14 by a certified public accountant or by a firm of certified public accountants. [The state auditor  
15 shall examine such audits at least once every three years and report to the board and the  
16 governor.]

          169.020. 1. For the purpose of providing retirement allowances and other benefits for  
2 public school teachers, there is hereby created and established a retirement system which shall  
3 be a body corporate, shall be under the management of a board of trustees herein described, and  
4 shall be known as "The Public School Retirement System of Missouri". Such system shall, by  
5 and in such name, sue and be sued, transact all of its business, invest all of its funds, and hold  
6 all of its cash, securities, and other property. The system so created shall include all school  
7 districts in this state, except those in cities that had populations of four hundred thousand or more  
8 according to the latest United States decennial census, and such others as are or hereafter may  
9 be included in a similar system or in similar systems established by law and made operative;  
10 provided, that teachers in school districts of more than four hundred thousand inhabitants who  
11 are or may become members of a local retirement system may become members of this system  
12 with the same legal benefits as accrue to present members of such state system on the terms and  
13 under the conditions provided for in section 169.021. The system hereby established shall begin  
14 operations on the first day of July next following the date upon which sections 169.010 to  
15 169.130 shall take effect.

16           2. The general administration and the responsibility for the proper operation of the  
17 retirement system and for making effective the provisions of sections 169.010 to 169.141 are  
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. All individually identifiable information  
107 pertaining to members, retirees, beneficiaries and survivors shall be confidential.

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

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

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

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

125           22. The board shall arrange for annual audits of the records and accounts of the system  
126 by a firm of certified public accountants[, the state auditor shall review the audit of the records  
127 and accounts of the system at least once every three years and shall report the results to the board  
128 of trustees and the governor].

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.

**208.1050. 1. There is hereby created in the state treasury the "Missouri Senior  
2 Services Protection Fund", which shall consist of money collected under subsection 2 of  
3 this section. The state treasurer shall be custodian of the fund. In accordance with sections  
4 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a  
5 dedicated fund and, upon appropriation, money in the fund shall be used solely for the  
6 administration of subsection 2 of this section. Notwithstanding the provisions of section  
7 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall  
8 not revert to the credit of the general revenue fund. The state treasurer shall invest  
9 moneys in the fund in the same manner as other funds are invested. Any interest and  
10 moneys earned on such investments shall be credited to the fund.**

**11           2. The state treasurer shall deposit from moneys that otherwise would have been  
12 deposited into the general revenue fund an amount equal to fifty-five million one hundred  
13 thousand dollars into the Missouri senior services protection fund. At least one-quarter  
14 of such amount shall be deposited on or before July 15, 2013, an additional one-quarter by  
15 October 15, 2013, and an additional one-quarter by January 15, 2014. The remaining  
16 amount shall be deposited by March 15, 2014. Moneys in the fund shall be allocated for  
17 services for low-income seniors and people with disabilities.**

238.272. The state auditor [shall] **may** audit each district not [less] **more** than once every  
2 three years[, and may audit more frequently if the state auditor deems appropriate]. The costs  
3 of this audit shall be paid by the district **and shall not exceed the greater of three percent of  
4 the gross revenues received by the transportation district.**

[29.090. It shall be unlawful for any examiner appointed under the  
2 provisions of this chapter to accept, receive or ride on any free transportation  
3 while engaged on official business, and any officer who shall request such free  
4 transportation for any such examiner shall be guilty of a misdemeanor, and  
5 punishable by a fine not to exceed five hundred dollars.]  
6

2 [29.180. The state auditor in cooperation with the budget director shall  
3 establish appropriate systems of accounting for all officers and agencies of the  
4 state, including all educational and eleemosynary institutions, and he shall also  
5 prescribe systems of accounting for all county officers. Such systems of  
6 accounting shall conform to recognized principles of governmental accounting  
7 and shall be uniform in application to offices of the same grade and kind and to  
8 accounts of the same kind. Such systems of accounting shall be adequate to  
9 record all assets and revenues accrued, all liabilities and expenditures incurred,  
10 as well as all cash receipts and disbursements, and all transactions affecting the  
11 acquisition and disposition of property, including the preparation and keeping of  
12 inventories of all property. Each department shall keep such accounts in  
13 accordance with the system of accounts prescribed by the auditor.]

2 [29.270. The state auditor shall report to the governor as soon as possible  
3 the result of his findings from an examination of the state institutions, and report  
4 to the elective officers the result of his findings from an examination of their  
5 appointive officers, setting out in detail the findings as to the collection and  
6 disbursements of public funds and the mode of bookkeeping and accounting in  
7 force in such institution, and as soon as possible after the completion of the  
8 examination of a county's officers and institutions, he shall report in writing the  
9 findings to the county court or prosecuting attorney or proper officer thereof,  
10 setting out in detail the results as to the collection and disbursement of county  
11 funds and the mode of bookkeeping and accounting in use and such  
12 recommendations as may be proper. All audit reports and reports of  
13 examinations made by the state auditor shall be made a matter of public record.  
14 The state auditor shall report to each general assembly his findings and  
15 recommendations resulting from audits and examinations of the various state  
16 officials and institutions made by him in accordance with law.]

2 [29.275. Before the state auditor performs a duty or service required by  
3 law for which a fee is charged, the person requiring the service shall produce to  
4 the state auditor the receipt of the state director of revenue showing that the fee  
5 has been paid to him.]

2 [29.340. Any state or county official affected by this chapter who shall  
3 refuse or fail to comply with the provisions of this chapter shall be deemed guilty  
of a misdemeanor.]

4           Section B. Because immediate action is necessary to protect low-income seniors and  
5 disabled persons, the enactment of section 208.1050 of this act is deemed necessary for the  
6 immediate preservation of the public health, welfare, peace and safety, and is hereby declared  
7 to be an emergency act within the meaning of the constitution, and the enactment of section  
8 208.1050 of this act shall be in full force and effect upon its passage and approval.

✓