

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 270, Page 13,
2 Section 86.320, Line 22, by inserting immediately after all of said line the following:

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

17 2. The general administration and the responsibility for the proper operation of the retirement system
18 and for making effective the provisions of sections 169.010 to 169.141 are hereby vested in a board of trustees
19 of seven persons as follows: four persons to be elected as trustees by the members and retired members of the
20 public school retirement system created by sections 169.010 to 169.141 and the public education employee
21 retirement system created by sections 169.600 to 169.715; and three members appointed by the governor with
22 the advice and 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 be appointed
24 by the governor at the time each member's, who was appointed by the state board of education, term expires.

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

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

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

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

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

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

7 9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be necessary for
8 a decision by the trustees at any meeting of the board of trustees. Unless otherwise expressly provided herein,
9 a meeting need not be called or held to make any decision on a matter before the board. Each member must be
10 sent by the executive director a copy of the matter to be decided with full information from the files of the
11 board of trustees. The unanimous decision of four trustees may decide the issue by signing a document
12 declaring their decision and sending such written instrument to the executive director of the board, provided
13 that no other member of the board of trustees shall send a dissenting decision to the executive director of the
14 board within fifteen days after such document and information was mailed to the trustee. If any member is not
15 in agreement with four members the matter is to be passed on at a regular board meeting or a special meeting
16 called for the purpose.

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

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

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

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

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

35 15. The board of trustees shall determine and decide all questions of doubt as to what constitutes
36 employment within the meaning of sections 169.010 to 169.141 and 169.600 to 169.715, the amount of
37 benefits to be paid to members, retired members, beneficiaries and survivors and the amount of contributions
38 to be paid by employer and employee. The executive director shall notify by certified mail both employer and
39 member, retired member, beneficiary or survivor interested in such determination. Any member, retired
40 member, beneficiary or survivor, district or employer adversely affected by such determination, at any time
41 within thirty days after being notified of such determination, may appeal to the circuit court of Cole County.
42 Such appeal shall be tried and determined anew in the circuit court and such court shall hear and consider any
43 and all competent testimony relative to the issues in the case, which may be offered by either party thereto.
44 The circuit court shall determine the rights of the parties under sections 169.010 to 169.141 and 169.600 to
45 169.715 using the same standard provided in section 536.150, and the judgment or order of such circuit court
46 shall be binding upon the parties and the board shall carry out such judgment or order unless an appeal is
47 taken from such decision of the circuit court. Appeals may be had from the circuit court by the employer,
48 member, retired member, beneficiary, survivor or the board, in the manner provided by the civil code.

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

1 17. The board of trustees shall provide for the maintenance of an individual account with each
2 member, setting forth such data as may be necessary for a ready determination of the member's earnings,
3 contributions, and interest accumulations. It shall also collect and keep in convenient form such data as shall
4 be necessary for the preparation of the required mortality and service tables and for the compilation of such
5 other information as shall be required for the valuation of the system's assets and liabilities. All individually
6 identifiable information pertaining to members, retirees, beneficiaries and survivors shall be confidential.

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

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

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

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

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

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

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27 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.
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