

SECOND REGULAR SESSION

HOUSE BILL NO. 2156

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE OEHLERKING.

4815H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 169.450, RSMo, and to enact in lieu thereof one new section relating to certain public school retirement systems.

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

Section A. Section 169.450, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 169.450, to read as follows:

169.450. 1. The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of sections 169.410 to 169.540 are hereby vested in a board of trustees of ~~eleven~~ **thirteen** persons, as follows:

(1) Four trustees to be appointed for terms of four years by the board of education; provided, however, that their terms shall be fixed so the terms of one of the trustees so appointed shall expire each year. The members of such board of trustees appointed by the board of education may be members of the board of education or other individuals deemed qualified to hold such positions by the board of education;

(2) Four trustees to be elected for terms of four years by and from the active members of the retirement system who shall hold office as trustees only while active members; provided, however, that their terms shall be fixed so that the terms of one of the trustees so elected shall expire each year; and provided further, that not more than two of such persons shall be teachers and two shall be nonteachers. For the purposes of this subsection, a school administrator shall not be eligible for the positions established pursuant to this subdivision and shall be eligible for the position established pursuant to subdivision (4) of this subsection;

(3) Two trustees, who shall be retired members, to be elected for terms of four years by and from the retired members of the retirement system; provided, however, that the terms

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 of office of the first two trustees so elected shall begin immediately upon their election and
19 shall expire two and four years from the date of their election, respectively; and provided
20 further, that not more than one of such persons shall be a teacher and one shall be a
21 nonteacher;

22 (4) One member, who shall be a school administrator, to be elected for a term of four
23 years by and from the active members of the retirement system who shall hold office as a
24 trustee only while an active member; except that, the initial term of office of such trustee shall
25 expire on December 31, 1999;

26 **(5) Two trustees to be appointed for terms of four years by the Missouri public**
27 **charter school association. These trustees should have experience or qualifications**
28 **relevant to public charter schools and the retirement system. Their appointment shall**
29 **be subject to the same rules and regulations applicable to other trustees including, but**
30 **not limited to, taking the oath of office as prescribed in subsection 5 of this section.**

31 2. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the
32 unexpired term in the same manner as the office was previously filled. No vacancy or
33 vacancies on the board of trustees shall impair the power of the remaining trustees to
34 administer the retirement system pending the filling of such vacancies.

35 3. In the event of a lapse of a school district's corporate organization as described in
36 subsections 1 and 4 of section 162.081, or for any other reason, the general administration and
37 the responsibility for the proper operation of the retirement system shall continue to be fully
38 vested in the trustees then currently serving and such trustees shall continue to serve and be
39 elected in the same manner as set forth in this statute as if no lapse had occurred, except that
40 in the event of vacancies occurring in the office of trustees appointed by the board of
41 education prior to the lapse, the board of trustees shall appoint a qualified person or persons to
42 fill such vacancy or vacancies for terms of up to four years.

43 4. Trustees shall serve without compensation, and any trustee shall be reimbursed
44 from the expense fund for all necessary expenses which the trustee may incur through service
45 on the board of trustees.

46 5. Each trustee shall, within ten days after such trustee's appointment or election, take
47 an oath of office before the clerk of the circuit court of the judicial circuit in which the school
48 district is located that, so far as it devolves upon the trustee, the trustee will diligently and
49 honestly administer the affairs of the board of trustees and that the trustee will not knowingly
50 violate or willingly permit to be violated any of the provisions of the law applicable to the
51 retirement system. Such oath shall be subscribed to by the trustee making it and filed in the
52 office of the clerk of the circuit court.

53 6. The circuit court of the judicial circuit in which the school district is located shall
54 have jurisdiction over the members of the board of trustees to require them to account for

55 their official conduct in the management and disposition of the funds and property committed
56 to their charge; to order, decree and compel payment by them to the public school retirement
57 system of their school district of all sums of money, and of the value of all property which
58 may have been improperly retained by them, or transferred to others, or which may have been
59 lost or wasted by any violation of their duties or abuse of their powers as such members of
60 such board; to remove any such member upon proof that the trustee has abused the trustee's
61 trust or has violated the duties of the trustee's office; to restrain and prevent any alienation or
62 disposition of property of such public school retirement system by the members, in cases
63 where it may be threatened, or there is good reason to apprehend that it is intended to be made
64 in fraud of the rights and interests of such public school retirement system. The jurisdiction
65 conferred by sections 169.410 to 169.540 shall be exercised as in ordinary cases upon
66 petition, filed by the board of education of such school district, or by any two members of the
67 board of trustees. Such petition shall be heard in a summary manner after ten days' notice in
68 writing to the member complained of, and an appeal shall lie from the judgment of the circuit
69 court as in other causes and be speedily determined, but such appeal shall not operate under
70 any condition as a supersedeas of a judgment of removal from office.

71 7. Each trustee shall be entitled to one vote in the board of trustees. [~~Six~~] **Seven** votes
72 shall be necessary for a decision by the trustees at any meeting of the board of trustees.

73 8. Subject to the limitations of sections 169.410 to 169.540, the board of trustees
74 shall, from time to time, establish rules and regulations for the administration of the
75 retirement system, for eligibility for and determination of benefits under the retirement
76 system, for the investment of retirement system assets, and for the transaction of the
77 retirement system's business.

78 9. The board of trustees shall elect from its membership a chairman and shall, by
79 majority vote of its members, appoint a secretary, who may be, but need not be, one of its
80 members. It shall engage such actuarial and other services as shall be required to transact the
81 business of the retirement system. It shall also engage an investment counselor who shall be
82 experienced in the investment of moneys to advise the trustees on investments of the
83 retirement system. The compensation of all persons engaged by the board of trustees and all
84 other expenses of the board necessary for the operation of the retirement system shall be paid
85 at such rates and in such amounts as the board of trustees shall approve.

86 10. The board of trustees shall keep in convenient form such data as shall be
87 necessary for actuarial valuations of the assets of the retirement system and for checking the
88 experience of the system.

89 11. The board of trustees shall keep a record of all its proceedings which shall be
90 open to public inspection. It shall prepare annually and send to the board of education and to
91 each member of the retirement system a report showing the fiscal transactions of the

92 retirement system for the preceding fiscal year, a detailed listing of all salaries and
93 expenditures incurred by the trustees for its operation, the amount of the accumulated cash
94 and securities of the system, and the last balance sheet showing the financial condition of the
95 system by means of an actuarial valuation of the assets and liabilities of the retirement
96 system. The board of trustees shall also prepare or cause to be prepared an annual report
97 concerning the operation of the retirement system herein provided for, which report shall be
98 sent by the chairman of the board of trustees to the board of education.

99 12. The board of trustees shall arrange for necessary legal advice for the operation of
100 the retirement system.

101 13. The board of trustees shall designate a medical board to be composed of three
102 physicians, none of whom shall be eligible for benefits pursuant to sections 169.410 to
103 169.540, who shall arrange for and pass upon all medical examinations required pursuant to
104 the provisions of sections 169.410 to 169.540, shall investigate all essential statements and
105 certificates made by or on behalf of a member in connection with an application for disability
106 retirement and shall report in writing to the board of trustees its conclusions and
107 recommendations upon all matters referred to it.

108 14. The actuary shall be the technical adviser of the board of trustees on matters
109 regarding the operation of the system created by sections 169.410 to 169.540 and shall
110 perform such other duties as are required in connection therewith. Such person shall be
111 qualified as an actuary by membership as a fellow in the Society of Actuaries or by objective
112 standards which are no less stringent than those established by the Society of Actuaries.

113 15. At least once in each five-year period the actuary shall make an investigation into
114 the actuarial experience of the retirement system, and taking into account the results of such
115 investigation of the experience, the board of trustees shall adopt for the retirement system
116 such actuarial assumptions as shall be deemed necessary.

117 16. On the basis of such actuarial assumptions as the board of trustees shall adopt, the
118 actuary shall make an annual valuation of the assets and liabilities of the funds of the
119 retirement system.

120 17. On the basis of the valuation the board of trustees shall certify the rates of
121 contribution payable by the board of education.

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