

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NOS. 2884 & 1655**  
**103RD GENERAL ASSEMBLY**

6036H.03C

JOSEPH ENGLER, Chief Clerk

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**AN ACT**

To repeal sections 86.213, 104.200, 104.490, 104.1060, 104.1092, and 169.450, RSMo, and to enact in lieu thereof seven new sections relating to public employee retirement systems.

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

Section A. Sections 86.213, 104.200, 104.490, 104.1060, 104.1092, and 169.450, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 86.213, 104.200, 104.490, 104.1060, 104.1092, 105.695, and 169.450, to read as follows:

86.213. 1. The general administration and the responsibility for the proper operation of the retirement system and for making effective the provisions of sections 86.200 to 86.366 are hereby vested in a board of trustees of nine persons. The board shall be constituted as follows:

(1) The comptroller of the city, ex officio. If the comptroller is absent from any meeting of the board of trustees for any cause whatsoever, the comptroller may be represented by either the deputy comptroller or the first assistant comptroller who in such case shall have full power to act as a member of the said board of trustees;

(2) Two members to be appointed by the mayor of the city, **provided that, effective October 1, 2026, the mayor shall appoint one member to serve a term of one year and one to serve a term of two years and thereafter, each appointee** to serve for a term of two years, except the mayor shall not appoint the police chief of the municipal police force or the city's director of public safety;

(3) Three members **who are actively commissioned officers of the municipal police force of any city not within a county** to be elected by ~~the~~ those members of the retirement system **who are actively commissioned officers of the municipal police force of**

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.

17 ~~[the]~~ **any city not within a county** for a term of three years; provided, however, that the term  
18 of office of the first three members so elected shall begin immediately upon their election and  
19 one such member's term shall expire one year from the date the retirement system becomes  
20 operative, another such member's term shall expire two years from the date the retirement  
21 system becomes operative and the other such member's term shall expire three years from the  
22 date the retirement system becomes operative; provided, further, that such members shall be  
23 members of the system and hold office only while members of the system;

24 (4) Three members who shall be retired members of the retirement system to be  
25 elected by ~~[the]~~ **those** retired members of the retirement system for a term of three years;  
26 except that, the term of office of the first two members so elected shall begin immediately  
27 upon their election and one such member's term shall expire two years from the date of  
28 election and the other such member's term shall expire three years from the date of election.

29 2. Any member elected chairman of the board of trustees may serve without term  
30 limitations.

31 3. Each **actively** commissioned elected trustee shall be granted travel time by the St.  
32 Louis metropolitan police department to attend any and all functions that have been  
33 authorized by the board of trustees of the police retirement system of St. Louis. Travel time,  
34 with compensation, for a trustee shall not exceed thirty days in any board fiscal year.

35 **4. Members appointed by the mayor of the city pursuant to subdivision (2) of**  
36 **subsection 1 of this section shall continue to serve until their successors have been**  
37 **appointed.**

104.200. Should any error in any records result in any member or beneficiary  
2 receiving more or less than he or she would have been entitled to receive had the records been  
3 correct, the board shall correct such error, and, as far as practicable, **to recover any**  
4 **overpayments, may accept single sum or installment repayments or** make future  
5 payments in such a manner that the actuarial equivalent of the benefit to which such member  
6 or beneficiary was entitled shall be paid~~[-, and to this end may recover any overpayments]~~  
7 **until the overpayment is recovered in full.** In all cases in which such error has been made,  
8 no such error shall be corrected unless the system discovers or is notified of such error within  
9 ten years after the member's annuity starting date or the date of error, whichever occurs later.  
10 In cases of fraud, any error discovered shall be corrected without concern for the amount of  
11 time that has passed.

104.490. 1. Should any error result in any member or beneficiary receiving more or  
2 less than he or she would have been entitled to receive had the error not occurred, the board  
3 shall correct such error, and, as far as practicable, **to recover any overpayments, may accept**  
4 **single sum or installment repayments or** make future payments in such a manner that the  
5 actuarial equivalent of the benefit to which such member or beneficiary was entitled shall be

6 paid~~], and to this end may recover any overpayments]~~ **until the overpayment is recovered in**  
7 **full.** In all cases in which such error has been made, no such error shall be corrected unless  
8 the system discovers or is notified of such error within ten years after the member's annuity  
9 starting date or the date of error, whichever occurs later. In cases of fraud, any error  
10 discovered shall be corrected without concern to the amount of time that has passed.

11 2. A person who knowingly makes a false statement, or falsifies or permits to be  
12 falsified a record of the system, in an attempt to defraud the system is subject to fine or  
13 imprisonment pursuant to the Missouri revised statutes.

14 3. The board of trustees of the Missouri state employees' retirement system shall  
15 cease paying benefits to any survivor or beneficiary who is charged with the intentional  
16 killing of a member without legal excuse or justification. A survivor or beneficiary who is  
17 convicted of such charge shall no longer be entitled to receive benefits. If the survivor or  
18 beneficiary is not convicted of such charge, the board shall resume payment of benefits and  
19 shall pay the survivor or beneficiary any benefits that were suspended pending resolution of  
20 such charge.

104.1060. 1. Should any error result in any person receiving more or less than the  
2 person would have been entitled to receive had the error not occurred, the board shall correct  
3 such error, and, as far as practicable, **to recover any overpayments, may accept single sum**  
4 **or installment repayments or** make future payments in such a manner that the actuarial  
5 equivalent of the annuity to which such person was entitled shall be paid~~], and to this end may~~  
6 ~~recover any overpayments]~~ **until the overpayment is recovered in full.** In all cases in which  
7 such error has been made, no such error shall be corrected unless the system discovers or is  
8 notified of such error within ten years after the member's annuity starting date or the date of  
9 error, whichever occurs later. In cases of fraud, any error discovered shall be corrected  
10 without concern to the amount of time that has passed.

11 2. A person who knowingly makes a false statement, or falsifies or permits to be  
12 falsified a record of the system, in an attempt to defraud the system shall be subject to fine or  
13 imprisonment under the Missouri revised statutes.

14 3. A board shall not pay an annuity to any survivor or beneficiary who is charged with  
15 the intentional killing of a member, retiree or survivor without legal excuse or justification. A  
16 survivor or beneficiary who is convicted of such charge shall no longer be entitled to receive  
17 an annuity. If the survivor or beneficiary is not convicted of such charge, the board shall  
18 resume annuity payments and shall pay the survivor or beneficiary any annuity payments that  
19 were suspended pending resolution of such charge.

104.1092. 1. In lieu of retirement annuity benefits otherwise payable under the  
2 closed plan or year 2000 plan, any member who has terminated employment, is entitled to a  
3 deferred annuity, and has not yet reached normal retirement age or eligibility may make a

4 one-time election to receive a lump sum payment equal to a percentage of the present value of  
5 such member's deferred annuity should a board choose to establish such a program by board  
6 rule pursuant to section 104.1063.

7 2. Any such election under subsection 1 of this section may be made by the member  
8 beginning on ~~[a date as established by the board under such program but not]~~ or after ~~[May~~  
9 ~~31, 2018. After May 31, 2018, no such election shall be made and retirement annuity benefits~~  
10 ~~shall only be paid as otherwise provided by law under this chapter]~~ **January 1, 2027.**

11 3. Any such member making such election under subsection 1 of this section shall  
12 forfeit all such member's creditable or credited service and future rights to receive retirement  
13 annuity benefits from the system under this chapter and shall not be eligible to receive any  
14 long-term disability benefits. If such member subsequently becomes an employee, such  
15 member shall be considered a new employee with no prior credited service and shall be  
16 subject to the provisions of section 104.1091.

**105.695. 1. No contribution or expenditure of system funds shall be made  
2 directly by any public pension system to advocate, support, or oppose the passage or  
3 defeat of any ballot measure or the nomination or election of any candidate for public  
4 office. Nor shall any system funds pay any debts or obligations of any committee  
5 supporting or opposing such ballot measures or candidates.**

6 **2. Nothing in this section shall prohibit retirement systems and their employees  
7 from educating and informing members and the public about potential impacts to the  
8 system through regular system programs, processes, and job duties.**

9 **3. For the purposes of this section, the term "system" shall be defined as any  
10 retirement system established by the state of Missouri or any political subdivision or  
11 instrumentality of the state for the purpose of providing plan benefits for elected or  
12 appointed public officials or employees of the state of Missouri or any political  
13 subdivision or instrumentality of the state.**

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

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

9 (2) Four trustees to be elected for terms of four years by and from the active members  
10 of the retirement system who shall hold office as trustees only while active members;  
11 provided, however, that their terms shall be fixed so that the terms of one of the trustees so

12 elected shall expire each year; and provided further, that not more than two of such persons  
13 shall be teachers and two shall be nonteachers. For the purposes of this subsection, a school  
14 administrator shall not be eligible for the positions established pursuant to this subdivision  
15 and shall be eligible for the position established pursuant to subdivision (4) of this subsection;

16 (3) Two trustees, who shall be retired members, to be elected for terms of four years  
17 by and from the retired members of the retirement system; provided, however, that the terms  
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 Charter  
27 Public School Association; provided, however, that the terms of office of the first two trustees  
28 so elected shall begin immediately upon their election and shall expire two and four years  
29 from the date of their election, respectively. The members of such board of trustees appointed  
30 by the Missouri Charter Public School Association shall have experience or qualifications  
31 relevant to public charter schools and the retirement system, and at least one such member  
32 shall be a teacher. The appointment of the trustees shall be subject to the same rules and  
33 regulations applicable to other trustees, including, but not limited to, taking an oath of office  
34 as provided in subsection 5 of this section.

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

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

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

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

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

75           7. Each trustee shall be entitled to one vote in the board of trustees. ~~[Six votes shall be~~  
76 ~~necessary for a decision by the trustees at any meeting of the board of trustees.]~~ **Seven**  
77 **members of the board of trustees shall constitute a quorum for the transaction of**  
78 **business at any meeting of the board of trustees. Notwithstanding the foregoing, no**  
79 **action or decision of the board of trustees shall be effective unless approved by the**  
80 **affirmative vote of at least seven members of the board of trustees.**

81           8. Subject to the limitations of sections 169.410 to 169.540, the board of trustees  
82 shall, from time to time, establish rules and regulations for the administration of the  
83 retirement system, for eligibility for and determination of benefits under the retirement

84 system, for the investment of retirement system assets, and for the transaction of the  
85 retirement system's business.

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

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

97 11. The board of trustees shall keep a record of all its proceedings which shall be  
98 open to public inspection. It shall prepare annually and send to the board of education and to  
99 each member of the retirement system a report showing the fiscal transactions of the  
100 retirement system for the preceding fiscal year, a detailed listing of all salaries and  
101 expenditures incurred by the trustees for its operation, the amount of the accumulated cash  
102 and securities of the system, and the last balance sheet showing the financial condition of the  
103 system by means of an actuarial valuation of the assets and liabilities of the retirement  
104 system. The board of trustees shall also prepare or cause to be prepared an annual report  
105 concerning the operation of the retirement system herein provided for, which report shall be  
106 sent by the chairman of the board of trustees to the board of education.

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

109 13. The board of trustees shall designate a medical board to be composed of three  
110 physicians, none of whom shall be eligible for benefits pursuant to sections 169.410 to  
111 169.540, who shall arrange for and pass upon all medical examinations required pursuant to  
112 the provisions of sections 169.410 to 169.540, shall investigate all essential statements and  
113 certificates made by or on behalf of a member in connection with an application for disability  
114 retirement and shall report in writing to the board of trustees its conclusions and  
115 recommendations upon all matters referred to it.

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

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

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

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

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