

Rules and Regulations

August 21, 2025

**Public School Retirement
System
of the City of St.
Louis**

**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS**
RULES AND REGULATIONS – August 21, 2025
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**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS
RULES AND REGULATIONS – August 21, 2025**

WHEREAS, the Public School Retirement System of the City of St. Louis was established pursuant to Section 169.410 to 169.540, R.S.Mo. 1978, as amended; and

WHEREAS, a board of trustees was created to administer such system and is empowered to issue rules and regulations for the transaction of business;

NOW, THEREFORE, the following rules and regulations are hereby adopted by said Board of Trustees.

RULES

CHAPTER A. ORGANIZATION

Rule I. - Trustees

Section 1. Six (6) Members of the Board of Trustees shall constitute a quorum for the transaction of business. Any action or decision of the Board of Trustees may be approved by a majority vote of the Board members who are in attendance at a duly called meeting at which a quorum is present.

Section 2. The Board of Trustees shall hold regular meetings every other month, (in February, April, June, August, October and December), and at such times as may be necessary on call of the Chairperson or three Members of the Board upon due and reasonable notice. The date and hour of such meetings shall be fixed by the Chairperson or those calling the meeting. Unless the notice of meeting shall specify another location all meetings shall be held at the office of the Retirement System. Meetings may be held in person or by video conference in compliance with applicable law.

The Board of Trustees is authorized to hold special or emergency meetings on the call of the Chairperson or three Members of the Board. Such emergency or special meetings may be held telephonically or by videoconference. In circumstances in which special or emergency meetings are held by telephone or videoconference, arrangements shall be made at the Retirement System's office for the public to hear or view the special or emergency meeting.

Section 3. The Board of Trustees shall be authorized to attend meetings and educational conferences related to retirement. The reasonable costs and expenses of attending such meetings and conferences shall be paid by the Retirement System pursuant to the Education, Travel, and Code of Ethics Policy, contained in Appendix A to these Rules and Regulations.

Rule II. - Officers

Section 1. The officers of the Board of Trustees shall consist of a Chairperson, Vice Chairperson, and Treasurer, and such other officers as the Board may designate.

Section 2. Duties such as preparation of minutes of the meetings of the Board of Trustees and its committees and record maintenance, which are typically performed by an organization's secretary, shall be the responsibility of the Executive Director or a staff person designated by the Executive Director; however, the Executive Director or the staff person designated by the Executive Director shall not be a Member or Officer of the Board of Trustees.

Section 3. Individuals who are employees of the Retirement System are not eligible to sit as trustees due to the apparent conflict of interest.

Rule III. - Duties of Officers

Section 1. *The Chairperson* shall preside at all meetings of the Board of Trustees.

Section 2. *The Vice Chairperson* shall have all the powers and perform all the duties of the Chairperson in the absence of the Chairperson.

Section 3. *The Treasurer* shall be the custodian of all funds, and perform such other duties as are prescribed by the law or are usual to that office. The Treasurer shall give bond in such amount as shall be determined by the Board of Trustees, and the cost therefore shall be paid out of the expense fund. The books and papers relating to the office of the Treasurer shall be kept and maintained at the office of the Retirement System.

Section 4. *Emergency Action.* The Chairperson, the Vice Chairperson and the Treasurer are authorized and empowered to act on behalf of the Board of Trustees with respect to any administrative action reasonably determined by them to be an emergency which should not be deferred until the next meeting of the Board of Trustees, provided that no financial commitment of expenditure in the sum of more than \$10,000 shall be made as an emergency measure. Any such action taken by the Chairperson, Vice Chairperson and Treasurer shall be reported to, ratified, and approved by the Board of Trustees at its next regular meeting.

For the purpose of considering any such action, the Chairperson, Vice Chairperson and Treasurer shall meet at the office of the Retirement System. Any of them may participate in such meeting by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting. Any such action taken by the Chairperson, Vice Chairperson and Treasurer shall be reported to, ratified, and approved by the Board of Trustees at its next regular meeting.

Rule IV. - Election of Officers

Section 1. The Chairperson and Vice Chairperson of the Board of Trustees shall be elected at the last regularly scheduled meeting each year and shall serve for one calendar year or until their successors are duly elected.

Section 2. The Treasurer shall be elected at the regular October meeting in each odd numbered year for a two-year term of office which shall commence January 1 the succeeding even numbered year. The Treasurer can be any Trustee other than the elected Chairperson or Vice Chairperson

Rule V. - Removal from Office

Section 1. Any officer may be removed for cause as determined by the Board of Trustees during the officer's term of office by two-thirds vote of all Members of the Board of Trustees, upon due and reasonable notice and hearing. Inefficiency, violation of the law or rules governing the Retirement System, or physical or mental conditions which incapacitate an officer from performing the duties of his/her office shall be cause for removal from office.

Rule VI. - Committees

- Section 1.** No later than the February Regular Board Meeting of each year, the Chairperson of the Board of Trustees shall establish such Committees to serve for the current year for such purposes as the Chairperson deems appropriate; and the Chairperson may dissolve any Committee so appointed with the approval of the Board of Trustees. Each such Committee shall be charged with the duty to meet and recommend action to the Board of Trustees on matters within the scope of the Committee's purpose, but shall have no authority to take action on behalf of the Board of Trustees. If the February Regular Board Meeting deadline is not adhered to by the Chairperson of the Board of Trustees, then the Vice Chairperson shall establish such Committees to allow the continuance of business. However, if because of unforeseen circumstances, a Committee needs to be established after the February Regular Board Meeting deadline the Chairperson of the Board of Trustees may later establish such a Committee with the approval of the Board of Trustees.
- Section 2.** Each Committee shall be a "committee of the whole", made up of all Board Members. The Chairperson of the Board of Trustees shall appoint a Chairperson for each Committee, and may also appoint a Co-Chairperson subject to approval by the Board of Trustees. The Chairperson of the Board of Trustees cannot serve as Committee Chairperson or Co-Chairperson. Each Committee shall meet from time to time at the call of the Chairperson and/or Co-Chairperson of the Committee. Each Committee Chairperson and/or Co-Chairperson shall establish a tentative Committee meeting schedule for the calendar year by April 1 and which schedule can be revised as needed. Decisions made by Committees shall be put on the agenda of the next regularly scheduled meeting of the Board of Trustees, unless an earlier special meeting of the Board of Trustees is called for the purpose of considering a Committee's decision.
- Section 3.** A minimum of four (4) Members of the Board of Trustees shall be necessary to form a quorum for a Committee meeting and to transact the business of the Committee. All decisions by a Committee shall require the affirmative vote of a majority of the Members of the Board of Trustees present at a meeting in which a quorum exists.
- Section 4.** The Chairperson and/or Co-Chairperson of each Committee may establish rules and procedures for the conduct of meetings of such Committee, provided that such rules and procedures are not inconsistent with any other provision of these Rules and Regulations. Any dispute between the Chairperson and any Co-Chairperson as to the rules and procedures for the conduct of meetings of such Committee shall be resolved by a majority vote of such Committee.
- Section 5.** All Committee meetings shall be open except when otherwise authorized under the provisions of Sections 610.010 to 610.030 of the Revised Statutes of Missouri.

Rule VII. - Medical Board

- Section 1.** The Board of Trustees shall designate a medical board in accordance with Subsection 13 of Section 169.450, R.S.Mo. 1978, as amended. Such Medical Board shall consist of three physicians. The Medical Board shall serve at the pleasure of the Board of Trustees.

Rule VIII. - Executive Director

- Section 1.** An Executive Director of the Public School Retirement System of the City of St. Louis shall be appointed by and shall serve at the pleasure of the Board of Trustees. The Executive Director shall assume and discharge responsibility for the day to day administration and business affairs of the Retirement System, subject at all times to the direction and supervision of the Board of Trustees.
- Section 2.** The duties of the Executive Director shall include, but shall not be limited to the following:

- a. supervise and appoint all staff employees subject to the approval of the Board of Trustees,
- b. interview and counsel members concerning retirement benefits,
- c. review all correspondence addressed to the Retirement System and reply to mail when indicated,
- d. prepare and distribute notices of all meetings of the Board of Trustees and Committee meetings,
- e. prepare agenda of matters to be considered at meetings of the Board of Trustees and Committees,
- f. prepare an annual report of the Retirement System to be distributed to members of the St. Louis Board of Education, Members of the Board of Trustees, and members of the Retirement System,
- g. assist in the preparation of amendments to applicable Missouri statutes governing the Retirement System, as directed by the Board of Trustees, and attend hearings on proposed legislation affecting the Retirement System,
- h. attend all conventions and conferences of the National Council on Teacher Retirement, as needed,
- i. supervise the preparation of and review all checks issued by the Retirement System,
- j. prepare an annual budget for review and approval of the Board of Trustees,
- k. monitor the fiscal affairs of the Retirement System,
- l. assist in the purchase and sale of securities, the collection of dividends and interest thereon, and in safekeeping of securities,
- m. assist the Investment Consultant in discharging investment related duties,
- n. secure and present all data and other information requested or required by the actuary to calculate retirement benefits and to prepare such studies and analysis and recommendations requested by the Board of Trustees, and
- o. be knowledgeable concerning the Missouri statutes governing the Retirement System in order to respond to member inquiries and explain alternatives available.

Section 3. *Commencement of Retirement Benefits for New Retirees.* In order to avoid delays in the commencement of retirement benefits and to facilitate the administration of the payment of retirement benefits for new retirees, the Executive Director is empowered to authorize payment of such retirement benefits, in an amount determined by the actuary prior to approval by the Board of Trustees. Any such action and the determination by the actuary of such retirement benefit shall be reported to, ratified, and approved by the Board of Trustees at its next regular meeting.

Section 4. All reasonable and necessary expenses of the Executive Director in discharging his/her duties shall be paid or reimbursed by the Retirement System, subject to the approval of the Board of Trustees.

Section 5. The Executive Director may recruit applicants for open staff positions in the Retirement System office in a manner acceptable to the Board of Trustees.

Rule IX. - Rules of Order

Section 1. *Order of Business.* The order of business at all regular monthly meetings of the Board of Trustees shall be as follows:

1. Roll call and announcement of a quorum

2. Approval of minutes of last meeting
3. Seating of new members (when required)
4. Reading of communications to the Board of Trustees
5. Presentations by Interested Parties
6. Consent Agenda
7. Unfinished Business
8. Report of the Chairperson
9. Report of the Executive Director
10. Report of the Investment Consultant
11. Report of the Actuary
12. Reports of the Committees of the Board
13. New Business
14. Report of the Attorney
15. Adjournment

Regarding Item 5 above, Presentations by Interested Parties, an interested party wishing to address the trustees at a Board of Trustees meeting must comply with the requirements set forth below.

- a. Interested parties must sign a registration roster and provide the Executive Director with written summaries of their presentations prior to the scheduled beginning time of the Board meeting.
- b. The registration roster will require an interested party to provide his/her name, relationship with the Retirement System, mailing address, and the nature of the issue he/she intends to address.
- c. Comments from interested parties will be limited to three minutes each.
- d. Only two interested parties will be permitted to speak on the same issue.

Regarding Item 10 above, Report of the Investment Consultant, the investment consultant will meet with the Board of Trustees of the Retirement System, whether at a Committee meeting or regular Board meeting, on at least a quarterly basis to give the report that is basic to the health of the portfolio. The investment consultant will meet in person or by means of video or telephone communications.

The Chairperson, with the approval of the Board of Trustees, may permit a report to be presented out of order at any meeting.

- Section 2.** In all matters not covered by the rules of the Board of the Trustees, parliamentary procedures for all meetings of the Board of Trustees shall be governed by the latest revision of the manual known as “Robert’s Rules of Order”.

Rule X. - Election of Trustees and Procedures for Elections

- Section 1.** Five trustees shall 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 that two of such persons shall be teachers, two shall be non-teachers, and one shall be a school administrator. The school administrator shall be a member whose job classification is on the school administrator’s position schedule.

- Section 2.** Two trustees, who shall be retirees, shall be elected for terms of four years by and from the retirees of the Retirement System; provided that one of such persons shall be a teacher and one shall be a non-teacher.

- Section 3.** In any election for trustee of the Retirement System, the candidate receiving the highest number of votes, which need not be a majority of the votes cast at such election, shall be declared the winner. Separate ballots will be used for teacher, non-teacher, retiree-teacher, retiree-non-teacher, and school administrator elections.
- Section 4.** Whenever two teacher or non-teacher trustees are to be elected at the same election, candidates for both positions shall be included on one ballot and each voter shall be entitled to cast one vote for each of two candidates. No cumulative voting shall be allowed. The two candidates receiving the highest number of votes, which need not be a majority of votes cast at such election, shall be declared the winners.
- Section 5.** If one position to be filled at any election is for a longer term of office, the candidate receiving the highest number of votes in the election shall take office for the longer term.
- Section 6.** In the case of death, resignation or removal of a trustee, a special election shall be held for the unexpired term of the trustee who died, resigned or was removed, provided that if such death, resignation, or removal occurs less than six months prior to the expiration of such trustee's term of office, the Board of Trustees may elect not to hold a special election to fill the vacancy.
- Section 7.** If any election for the office of trustee results in a tie, the names of the candidates who received an equal number of votes shall be included on a second ballot for a run-off election following the same procedures as were used in the original election.
- Section 8.** Notice of an election of a trustee shall be mailed by the Election Commissioner to active members if the trustee will be elected by them or to retirees if the trustee will be elected by them, advising that such election will be held, the qualifications for the trustee to be elected, instructions for registering as a candidate for such election, and the registration deadline which shall be two weeks after date of mailing of such notice, or if such date is a legal holiday on the following business day.
- Section 9.** Any candidate requesting to withdraw her/his name from the ballot must do so no later than the last day of the registration deadline.
- Section 10.** If no candidate or only one candidate properly registers for the position of trustee for any election of a trustee, the registration process shall be reopened and the Election Commissioner shall mail another notice of the election of a trustee establishing a new registration deadline for the registration of candidates, which shall be two weeks after the date of mailing of such new notice, or if such date is a legal holiday, on the following business day. If only one candidate properly registers for the position of trustee after two mailings of a notice for any election of a trustee, then the election shall proceed with only one candidate. If no candidate registers after two mailings of a notice for any election of a trustee, election notices shall be mailed until at least one candidate has properly registered.
- Section 11.** The firm of independent certified accountants regularly engaged by the Board of Trustees shall serve as Election Commissioner and shall conduct all elections for trustees. The Election Commissioner shall handle all aspects of trustee elections including:
- a. candidate registration,
 - b. certification of candidate eligibility with the appropriate Human Resources Department, and
 - c. receipt of candidate biographies, which will be printed as submitted without editing.

Section 12. All mailings to active members and retirees in connection with any election shall be addressed to the home addresses furnished by the employer in the case of active members, and to the home addresses as reflected in the records of the Retirement System in the case of retirees.

Section 13. The following procedures shall be observed by the Election Commissioner, in addition to such other procedures not specifically provided herein as may be adopted by the Election Commissioner for any election:

- a. Only the names of such candidates who have registered prior to the registration deadline shall appear on the ballot for the election. The names of candidates shall be listed on the ballot in the order selected by lot by the Election Commissioner from a blind pool of the names of all candidates.
- b. All ballots, mailing envelopes, return envelopes and instructions to voters shall be prepared by or under the supervision of the Election Commissioner in accordance with these rules. The cost of printing and postage shall be paid by the Retirement System.
- c. Ballots, instructions to voters consistent with these rules, biographies not to exceed eighty (80) words submitted by the candidates and return envelopes shall be mailed first class mail postage prepaid to those active members or retirees eligible to vote in the election. In order to be counted, ballots must be postmarked up to fifteen (15) days after they were mailed.
- d. Candidates wishing to conduct a mailing in addition to the eighty (80) word biography included with the ballot may do so at their own expense subject to the following provisions.
 - (1) Within five (5) business days of the close of the candidate registration period, the candidate will provide to a commercial mailing service designated by the Election Commissioner sufficient copies of his/her mailing materials for all eligible voters along with a cashier's check or money order to pay for first class mailing of the materials.
 - (2) The mailing materials must be appropriately inserted in sealed envelopes when they are delivered to the mailing service.
 - (3) The Election Commissioner will provide mailing data for all eligible voters to the commercial mailing service.
 - (4) In no event will the Election Commissioner provide names and addresses of eligible voters directly to a candidate.
- e. All return envelopes shall be date stamped by the Election Commissioner when delivered.
- f. All return envelopes delivered to the Election Commissioner shall be retained by the Election Commissioner in a secure place and shall remain unopened until the official tabulation of votes.
- g. The Election Commissioner shall employ procedures to assure the integrity of return envelopes and ballots. Return envelopes that do not satisfy integrity criteria shall be retained by the Election Commissioner, but the ballots therein shall not be counted.
- h. Return envelopes delivered to the Election Commissioner after the deadline shall be date stamped and retained by the Election Commissioner but not opened, and ballots therein shall not be counted.
- i. The Election Commissioner shall notify the Retirement System and the candidates of the date, time and place for the opening of the return envelopes and the official tabulation of votes, which shall be five (5) business days after the postmark cutoff date, and each candidate may have a representative present to observe the opening of the return envelopes and the counting of the votes.

- j. The Election Commissioner shall adopt appropriate procedures to reconcile and account for all ballots and return envelopes mailed and received.
- k. All election materials for each election shall be retained by the Election Commissioner for a period of one year after the date of the official tabulation of votes and then destroyed by the Election Commissioner.
- l. After the official tabulation of votes, the Election Commissioner shall certify the results to the Board of Trustees and shall include in such certification a summary of ballots not counted and return envelopes not opened and the reasons therefore. The certification of the result by the Election Commissioner shall be final.
- m. Any candidate having an objection to the conduct of the election shall have thirty (30) days from the date the Election Commissioner certifies the result of the election to file a challenge to the election in St. Louis Circuit Court pursuant to 536.150 R.S.Mo.
- n. Election Challenge Procedure
 - (1) Any and all complaints concerning conduct which could affect the outcome of the election shall be referred to the Election Commissioner by the complaining party within five (5) days of the certification of result referenced in subparagraph l above. The party asserting the objection shall present evidence in writing to the Election Commissioner within five (5) days of the certification of result. Such evidence shall include, but may not necessarily be limited to, sworn affidavits setting forth the nature and character of the alleged objectionable conduct.
 - (2) In the event of an election challenge, the Election Commissioner will notify the Board of Trustees of the challenge, will review the evidence in consultation with the Executive Director and Counsel to the PSRS and, if the Election Commissioner believes there is a reasonable basis that the outcome of the election was affected, he/she shall immediately refer the matter to a Hearing Officer. The Hearing Officer shall be selected by the Election Commissioner but shall be an independent third party unconnected to the Public School Retirement System or the St. Louis School System. The cost of the Hearing Officer shall be paid by the Public School Retirement System.
 - (3) Upon referral, the Hearing Officer shall set a date, which in no event shall be later than five (5) working days after the Hearing Officer has received the referral from the Election Commissioner as described in paragraph b. above, for a hearing at which the objecting party shall be entitled to submit evidence, including witnesses who shall give testimony under oath. Any candidate in the election shall be entitled to attend and participate in the hearing, including presenting evidence.
 - (4) After the hearing, the Hearing Officer shall make a decision which shall be based on a preponderance of the evidence. The Decision of the Hearing Officer shall be rendered within thirty (30) days after the close of all evidence and shall be in writing with a copy sent to all parties, including the Board of Trustees.
 - (5) If the Hearing Officer determines, based on a preponderance of evidence, that the conduct affected the outcome of the election, he/she shall so indicate in the Decision and advise the Trustees that the election will be set aside. In such case, the matter shall be referred back to the Board and a new election shall be held consistent with Rule X.
 - (6) If the Hearing Officer finds that the conduct did not affect the outcome of the Election, he/she shall so indicate in the Decision and thereafter the Election Commissioner shall issue a notice to all parties of the results. The Decision of the Hearing Officer shall be subject to appeal consistent with the Missouri Administrative Procedures Act. R.S. Mo. 536.010 et.seq.

- (7) If an appeal is taken from the decision of the Hearing Officer, the decision of the Hearing Officer shall be stayed pending appeal. During any of the procedures described above, the candidate receiving the most votes shall serve as the elected Trustee.

Rule XI. - Open Meetings and Records

- Section 1.** All meetings and records of the Public School Retirement System of the City of St. Louis shall be open to the public, except when otherwise authorized under the provisions of Section 610.010 to 610.030 R.S.Mo. 1978, as amended.
- Section 2.** Whenever possible, all meetings of the Board of Trustees of the Public School Retirement System of the City of St. Louis shall be recorded to assist in the preparation of accurate minutes of each meeting. The recording of each meeting shall be retained intact until three months after the date of such meeting at which time it may be erased unless the accuracy of the minutes has been challenged prior to the expiration of such three-month period. If challenged, the recording of such meeting shall be retained until all questions concerning the accuracy of such minutes are resolved.

Rule XII. - Regulation of Conflicts of Interest

- Section 1.** All Members of the Board of Trustees and all employees of the Retirement System shall avoid any conflict of interest and shall comply with the applicable provisions of Sections 105.450 - 105.454, R.S.Mo. 1978, as amended, all other applicable provisions of law regulating conflicts of interest, and the Education, Travel, and Code of Ethics Policies contained in Appendix A to these Rules and Regulations.

Rule XIII. - Amendment of Rules

- Section 1.** No Rule Adopted by the Board of Trustees shall be amended, suspended, or repealed, except upon the affirmative vote of two-thirds of all of the Members of the Board of Trustees.
- Section 2.** Procedures for suggesting a Rule change will require that a trustee submit the proposed change in writing to the Executive Director for inclusion with the agenda materials for the next meeting of the Board. The proposed amendment, repeal, or suspension will not be discussed or submitted for a vote until the Board meeting next following the Board meeting at which the change was initially introduced. The foregoing does not apply to the adoption, amendment, suspension, or repeal of any Policy, which need only be approved by a majority vote of the Board at one regular Board meeting.
- Section 3.** The legal consultant (attorney) will be given copies of all rules submitted by trustees with the names and dates of the proposed rule change. The attorney is charged with the responsibility to determine if any proposed rule change violates any established rule of the Board and/or is in conflict with state statutes that govern the Board.

Rule XIV. - Investment Policies

- Section 1. General**
 - a. This Rule provides guidance to fiduciaries, including investment managers ("Managers") and the Board of Trustees ("Trustees") of the Public School Retirement System of the City of St. Louis ("System"), in the course of investing the retirement funds ("Fund") of the System. Specifically, this Rule:
 - (1) briefly outlines the investment-related responsibility of the Trustees and the Managers they retain to manage assets of the System,

- (2) provides a framework for regular constructive communication between the System and its Managers, and
 - (3) authorizes the establishment of formal, yet flexible, Investment and Operating Guidelines that incorporate prudent asset allocation and realistic total return goals and create standards of investment performance by which the Managers agree to be measured over a reasonable time period.
- b. This Rule may be amended or modified from time to time by the Trustees, in the manner provided in the System's Rules and Regulations, upon consideration of the advice and recommendations of retained professionals, including the System's actuary, accountant, Manager(s), investment consultant, and attorney. It is also expected that this Rule and the related Investment and Operating Guidelines will be reviewed at least once a year to insure their relevance to the System's needs and to communicate any material changes thereto to the Managers.

Section 2. Responsibilities - Board of Trustees

Upon consideration of the advice and recommendations of retained professionals, the Trustees' responsibilities include:

- a. complying with the provisions of pertinent federal, state and local laws, regulations and rulings,
- b. developing investment goals and policies that are consistent with the needs of the System and adopting written investment guidelines for use by the System's staff and professional advisors in the day-to-day management and supervision of the System's Managers,
- c. evaluating and appointing Managers to invest and manage the System's assets,
- d. determining how the System's assets should be allocated across and within various asset classes,
- e. establishing monitoring procedures for the System's Managers,
- f. reviewing and evaluating the results of the Managers in context with established standards of performance, and
- g. evaluating and selecting qualified investment consultants to assist in implementing and carrying out the System's investment policies and related investment guidelines.
- h. evaluating and appointing custodians for safekeeping of the System's assets.

Section 3. Investment Goals

- a. Assets of the System shall be invested in a manner designed to preserve and enhance principal over the long term, both in real and nominal terms.
- b. Total return, consistent with prudent investment management, is the primary goal of the System. Total return, as used herein, includes income less expenses plus realized and unrealized gains and losses in the System's assets.
- c. The Trustees will establish, in the Investment and Operating Guidelines, both real and nominal long-term target rates of return for the Fund that are projected to provide a high probability of achieving the System's long-term investment objectives within acceptable risk levels.
- d. The Trustees shall establish, in the Investment and Operating Guidelines, additional performance expectations for the Fund as a whole and for each asset classification within the Fund.

- e. Total Fund risk exposure and risk adjusted returns will be regularly evaluated and compared to such peer group or groups that the Trustees and investment consultant may from time to time select.

Section 4. Permissible Investments

In fulfilling the investment objectives of the Fund, the Trustees may invest the System's assets in the following types of investments.

- a. *Domestic Equity Investments* are permitted and may include domestic common stocks traded over-the-counter or on a domestic stock exchange. Convertible bonds, preferred stocks, warrants and rights may be purchased as equity substitutes so long as the underlying equity meets applicable standards. American Depository Receipts (ADRs), which are dollar-denominated negotiable certificates traded on domestic U.S. stock exchanges, and non-U.S. incorporated stocks traded in U.S. dollars on U.S. stock exchanges may be held by each domestic stock Manager to a maximum of 20%. The aforementioned limitation would not apply to U.S. companies that transfer their registration to reduce their U.S. tax liability.
- b. *Domestic Fixed Income Securities* are permitted and may include obligations issued or guaranteed by the U.S. Government or any agency or instrumentality thereof, corporate bonds, asset-backed securities, agency guaranteed mortgage pass-through securities, and low-risk collateralized mortgage obligations. Domestic fixed income Managers may also invest in U.S. dollar-denominated issues of international agencies, foreign governments and foreign corporations, i.e., Eurodollar and Yankee bonds.
- c. *International Investments* are permitted and may include equity and fixed-income securities. International investments shall only be entered into through the selection of qualified investment management organizations as consistent with fiduciary responsibilities.
- d. *Cash Equivalents* and other short-term funds are permitted and may be invested in direct U.S. Government obligations such as U.S. Treasury Bills or repurchase agreements, which are fully collateralized by U.S. Treasury issues. Unless expressly prohibited by the Trustees, excess cash may be invested in the Short Term Investment Fund (STIF) of the Custodian Bank(s) or negotiable certificates of deposit, or other short term investment vehicles deemed prudent by the investment Manager. Funds may be invested in U.S. dollar denominated commercial paper rated no less than P-1 by Moody's or A-1 by Standard and Poor's or equivalent ratings using similar credit criteria. International managers of segregated portfolios may invest excess cash in the STIF fund or deposit accounts of the Custodian or sub-custodian banks, subject to these same criteria.
- e. *Real Estate Investments*, both debt and equity, are permitted, but new purchases after the adoption of this Rule, shall be limited to pooled funds managed by institutions that are experienced and widely recognized.
- f. Upon recommendation of investment consultant and approval by the Trustees, covered call *options* may be written on eligible securities.
- g. *Private Capital Market Investments*, such as venture capital, leveraged buyouts, mezzanine debt, bank loans, direct lending, asset-based lending, other private debt strategies and infrastructure, may be included among the System's equity investments, provided such investments remain within the limits authorized by the Trustees. Private markets amounts that exceed the target allocation, as a result of partial or full liquidation of positions or the receipt of income from investments, may be reallocated to the System's under-allocated asset classes or used to meet cash flow needs according to the approved Investment Policy Asset Allocation Targets and Ranges.

- h. *Market Neutral* (long/short strategies) and certain hedge funds with appropriate transparency and liquidity (e.g. merger/convertible arbitrage, fund of funds) may be selected for investment.
- i. *Futures Contracts* or forward currency options may be written against securities in the equity portfolio by an investment Manager who has authority to manage such portfolios.
- j. *Commingled* funds and/or institutional mutual funds may be used as investment vehicles. The Trustees recognize that they cannot give specific policy directives to such funds (whose policies are already established in separate prospectus or private offering memoranda); therefore, the Trustees shall direct the investment consultant to assess and monitor the investment policies of such funds to ascertain that their policies are reasonably comparable to the System's policies.
- k. The System may establish a Securities Lending Program subject to restrictions established by the Trustees, and consistent with Legal Statutes. The underlying collateral shall conform with the quality standards as outlined in Section 4d of the Policy Statement.
- l. *Commodities* included in funds where money managers use forward exchange contracts (“FX forwards”) or “swaps” on currency to help cure risk volatility as opposed to risk leveraging.

Section 5. Asset Allocation Policy

- a. As a part of this Rule, the Trustees shall adopt an asset allocation policy that is based on a liability-driven approach that tailors the System’s asset allocation to its long-term liabilities. This process will establish long-term target return goals and the expected portfolio asset mix required to achieve those goals expressed as a percent of the Fund.
- b. The Trustees shall review the asset allocation policy on a regular basis, at least semi-annually, to determine if the asset allocation is consistent with the exposure range established for the Fund.
- c. The asset allocation policy adopted by the Trustees is to be pursued by the System on a long-term basis but will be revised if significant changes occur within the economic and/or capital market environments. A change in the System's liability structure or funded status may also trigger a revision of the asset allocation policy.

Section 6. Investment & Operating Guidelines

In consultation with the System's investment consultant and subject to the approval of the Investment Committee of the Trustees, staff shall implement the procedures set forth in the Investment and Operating Guidelines. These guidelines shall be consistent with the achievement of the investment goals of the System, shall incorporate the asset allocation policy, and shall provide for the customary oversight of investment Managers by the System's staff and investment consultants. The Investment and Operating Guidelines shall reflect the following considerations:

- a. the manner in which investment Managers are expected to carry out their assignments,
- b. expected diversification within each asset class, rates of turnover, quality ratings, types of instruments, issue size, country weightings, as appropriate, and asset holdings,
- c. risk control measures such as annual average beta or other statistical measures of risk, portfolio quality and maturity,
- d. procedures for monitoring the Fund and its Managers and proxy voting guidelines.
- e. Compliance with all guidelines must be monitored by the Managers on a regular basis (monthly, or more frequently when unusual market conditions warrant) and must be based on then-current market values. In the event a portfolio moves out of compliance with this Rule or the Investment and Operating Guidelines (as identified in the Manager’s regular review of the

portfolio) through market conditions or other changes outside the control of the Manager, the Manager must bring the portfolio composition back into compliance with the Investment Policy Statement within the earliest time frame the Manager considers prudent and promptly inform the Trustees, staff and investment consultant that the Investment Policy Statement has been breached, and of the Manager's plan for addressing the issue (and/or steps already taken to address the issue).

- f. Managers shall make all portfolio transactions on a "best execution" basis. Arrangements to direct commissions shall only be implemented by specific written authorization of the Trustees and shall be in compliance with industry best practices. While the system is not subject to governance by the Department of Labor and ERISA, the provisions of ERISA as described in Department of Labor ERISA Technical Release No. 86-1 and other applicable releases may be reviewed for guidance on best practices.
- g. The Investment and Operating Guidelines may contain such other policies, procedures and limitations as are necessary, advisable or appropriate for the management of the Fund or any asset class component of the Fund.
- h. Disbursements shall be made from a disbursement account which in turn will be funded by the necessary transfers from the Fund's investment Managers. Such transfers, amounts, and timing, shall be determined by the Executive Director, upon advice from the Investment Consultant, and approved by the Trustees as necessary to satisfy liquidity requirements and maintain compliance with the Investment Policy asset allocation targets and ranges.

Section 7. Prohibited Investments

Unless specifically approved by the Trustees, certain direct securities, strategies and investments are ineligible for inclusion within the Fund. Among these are:

- a. lettered, legend or other so-called restricted stock,
- b. uncovered short or leveraged positions,
- c. margin purchases,
- d. direct physical commodities,
- e. straight preferred stocks and tax-preferenced securities, unless pricing anomalies in the marketplace suggest the likelihood of near-term capital gains when normal spread relationships resume,
- f. investments in private placements (except marketable, liquid securities issued under Rule 144A), real estate, oil and gas, and venture capital, unless approved by the Trustees in advance of their purchase.

Rule XV. - Principles

The Retirement System hereby adopts the following principles advocated by the National Council on Teacher Retirement, and with respect to such principles hereby pledges as follows:

Section 1. *Courteous Service.* To give members prompt and courteous service and provide complete and accurate information.

Section 2. *Member Statements.* To provide each active member with an annual statement that includes the member's accrued service credit, employee contributions, and other related information.

- Section 3.** *Information.* To provide new participants in the system with a summary of plan terms that clearly and simply summarizes the benefit provisions of the plan. The System will make available information on changes made in benefits.
- Section 4.** *Annual Reports.* Full disclosure of financial, actuarial, and investment information in a detailed annual report that will be available for members, elected officials, and the public.
- Section 5.** *Financial Audits.* To prepare or cause to be prepared an annual financial statement in accordance with generally accepted accounting principles and have an annual audit of the System’s financial statement in accordance with generally accepted auditing standards.
- Section 6.** *Actuarial Studies.* To have an annual or biennial actuarial valuation performed by an enrolled actuary in accordance with actuarial standards and an actuarial experience study at least every five years.
- Section 7.** *Adequate Funding.* To work to obtain adequate funding of all promised benefits and to ensure the financial integrity of this System.
- Section 8.** *Independence of Retirement Systems.* To work for a retirement system which functions as an independent retirement trust, separate from state and local government. Such independence includes the power of trustees to set actuarial assumptions, appoint professionals such as actuaries and attorneys on whom they must rely to carry out their responsibilities, and to establish a budget for the System which ensures the delivery of high quality, cost-effective service to their members.
- Section 9.** *Exclusive Benefit.* To act for the exclusive benefit of the members as fiduciaries entrusted with the management and payment of retirement benefits.
- Section 10.** *Prudent Investments.* To adopt comprehensive objectives, methods for evaluation of performance, and policies which ensure both the prudent investment of plan assets and the achievement of the highest possible investment return.
- Section 11.** *Ethical Conduct.* To adhere to the highest standards of conduct set out in the terms of the trust, state statute or other law.
- Section 12.** *State and Local Government Authority.* To support the continuation of state and local pension plan oversight by the respective state or local government to ensure that decisions are made at the appropriate level of government.

CHAPTER B. BENEFITS

Rule I. - Credited Service and Age

Section 1. *Credited Service.*

- a. Except in the first and last calendar years of employment by the Board of Education, the Retirement System, Harris-Stowe State College or a charter school, for years prior to January 1, 2001, a member shall be credited with one year of Credited Service for each calendar year for which the member receives pay for one hundred (100) days. Credited Service for the first and last years of employment and all years after 2000 shall be computed by adding the number of days for which the member receives pay in such years and allowing Credited Service for that proportion of a year or years that the sum bears to:
 - (1) one hundred eighty (180) for a member expected to work fewer than 211 days in a year, including holidays and vacation;
 - (2) two hundred five (205) for a member expected to work more than 210 days, but fewer than 245 days in a year, including holidays and vacation; or
 - (3) two hundred thirty (230) for a member expected to work more than 244 days in a year, including holidays and vacation.

This section shall be applicable for any member retiring after December 31, 2000.

- b. For members whose employers do not report employment service on a days-paid basis, service will be credited on the basis of compensation earned divided by annual compensation expected for a calendar year.

Section 2. *Procedures for Crediting Service.*

- a. For the purpose of computing the amount of Credited Service that a member receives pursuant to Sections 169.440-10, 169.440-11 or 169.570, R.S.Mo. 1999, as amended, the following equivalencies shall be used. Credited Service of one (1) year shall be allowed if a member receives pay for one hundred eighty (180) days or more, if said member is expected to work fewer than 211 days in a year, including holidays and vacation; two hundred five (205) days or more if said member is expected to work more than 210 days, but fewer than 245 days in a year, including holidays and vacation; and two hundred thirty (230) days or more if said member expected is to work more than 244 days in a year, including holidays and vacation. Credited Service in a calendar year for fewer than the number of days required for a full year (180, 205 or 230) shall be for the proportion of a year that the number of days of pay bears to the number of days required for a full year.
- b. For members whose employers do not report employment service on a days-paid basis, service will be credited on the basis of compensation earned divided by annual compensation expected for a calendar year.

Section 3. For the purpose of computing a member's Credited Service and age at retirement, the member's accumulated and unused days of sick leave, if any, shall be included. Additions to Credited Service and age for such unused sick leave shall be converted on the basis of the equivalencies described in Section 2 of this Rule.

Section 4. In calculating Credited Service and age for the purpose of determining retirement benefits, or qualifications therefore, prior to January 1, 2002, any partial or fractional month shall be deemed to be a full month. Effective January 1, 2002, actual Credited Service and age will be used for the purpose of determining retirement benefits or qualifications therefor.

Section 5. Inactive members with five or more years of Credited Service who elect, pursuant to Section 169.460, R.S.Mo 1999, as amended, to leave their accumulated contributions with the Retirement System and receive a retirement benefit after they reach the minimum age for voluntary retirement, shall be entitled at retirement to add to their actual age and Credited Service for the purpose of computing their benefits the unused days of sick leave which they had accumulated at the time they became inactive members. This section shall be applicable to any inactive member who applies for retirement benefits after February 1, 1980.

Rule II. - Payment of Fractional Benefits

Section 1. When a retiree or a designated beneficiary dies leaving an unpaid portion of the retiree's accumulated contributions at retirement, such unpaid accumulated contributions shall be paid to the designated beneficiary, if living, otherwise, to the estate of the person last entitled to benefits. If such accumulated contributions, or any other benefit, are left unclaimed and if no estate can be found to have been opened, then the accumulated contributions shall escheat to the State of Missouri in compliance with applicable law.

Rule III. - Correction of Errors

Section 1. When a clerical error has resulted in any member or beneficiary receiving from the Retirement System more or less than the member or beneficiary would have been entitled to receive, the Executive Director, with the assistance of the actuary, shall have authority to make corrections of records and the adjustments of the payments, which may be necessary in order that the actuarial equivalent of the benefit to such member or beneficiary was correctly entitled shall be paid.

Rule IV. - Limitation of Benefits

Section 1. In the case of optional retirement allowances under Subsection 12 of Section 169.460, the survivor benefits payable to a beneficiary, other than the spouse of the retiree, shall in no event exceed 50% the actuarial equivalent of the retirement allowance computed at the time of retirement.

Section 2. No retirement allowances shall be paid which exceed the limitations provided in Section 415 of the Internal Revenue Code of 1954, as amended.

Section 3. The re-employment of a Retired Member into a position that requires participation in the Retirement System will not change the retirement benefit attributable to the member's service prior to his/her first retirement date. Upon subsequent retirement, the Member will have his or her prior retirement allowance recommence in the same amount and under the same optional form, if an option was elected.

In addition, the Member may receive an additional retirement allowance based upon any Credited Service earned following re-employment. The additional retirement allowance will be based upon the benefit formula in effect at the time of the subsequent retirement and solely upon the Credited Service and Compensation earned subsequent to re-employment.

In no event may the total retirement allowances, excluding any Cost of Living Adjustments received by the Member, prior to application of any option reduction factors, exceed sixty percent (60%) of the Member's highest Average Final Compensation.

Rule V. - Tax Sheltered Annuities

Section 1. With the approval of the Board of Trustees, any member may authorize the Board of Education to reduce his/her compensation and pay over the amount by which such compensation is reduced to the Public School Retirement System of the City of St. Louis to provide a tax-sheltered annuity for such member. In order to participate in the tax-sheltered annuity program, members must authorize the Board of Education of the City of St. Louis to make such deductions from their compensation not less than thirty (30) days in advance of their participation in the program. All additional contributions will be deducted and administered in the same manner as required contributions to the Retirement System, except as otherwise provided in this Rule. Each participating member shall have full responsibility for determining the maximum amount excludable from income each year under applicable provisions of the Internal Revenue Code, and the Retirement System shall neither assume nor have any responsibility for the tax consequences of the tax sheltered annuity program to any member.

A member may withdraw such additional contributions together with interest credited thereon at any time prior to retirement upon thirty (30) days written notice to the Retirement System. However, if such contributions are withdrawn, a member shall have no right to make any additional contributions for a period of two years after such withdrawal. In the event of a member's death prior to retirement, the member's additional accumulated contributions shall be paid in a lump sum to the member's designated beneficiary, if living; otherwise, to the member's estate. If such accumulated contributions are left unclaimed and if no estate can be found to have been opened, then the accumulated contributions shall escheat to the State of Missouri in compliance with applicable law. At retirement the additional contributions to the tax-sheltered annuity program will be used to provide additional benefits in the form of a refund annuity based on the actuarial assumption then approved for use by the Board of Trustees.

Rule VI. - Calculation of Compensation

Section 1. The term "compensation" is defined in Section 169.410(9) to mean regular compensation which a member has earned as an employee in any period, subject to certain limitations. Compensation shall be regular if it is expected to continue until retirement. Extra compensation to department heads and compensation paid for Extended School Year service shall be regular compensation. Compensation also includes the Employer-paid cost of an Active Member's health and welfare benefits. Overtime pay, the lump sum payout of unused vacation or sick leave, special compensation for compensatory time off accruals, special compensation for services in connection with extracurricular activities, and summer school, shall not be considered regular compensation.

Rule VII. - Definition of Years of Service

Section 1. The three "consecutive years of service" referenced in the definition of Average Final Compensation in Section 169.410 (3) shall be deemed to be

- a. 765 consecutive paid days of work, including holidays and vacation, for all members expected to work more than 244 days,
- b. 660 consecutive paid days of work, including holidays and vacation, for all members expected to work more than 210 but fewer than 245 days, and
- c. 600 consecutive paid days of work, including holidays and vacation, for all members expected to work fewer than 211 days, however,

in no event shall "three consecutive years of service" be fewer than thirty-six (36) consecutive months.

Rule VIII. - Purchase of Service Credit

Section 1. This Section 1 shall apply for members who purchase service credit in this Retirement System prior to January 1, 2003 and for members who begin their series of regular monthly payments to purchase service credit in this Retirement System prior to January 1, 2003.

- a. Whenever a member purchases service credit in this Retirement System for service in a public school district in Missouri or outside the State of Missouri or in a private school in accordance with R.S. Mo. Section 169.462, as in effect prior to August 28, 2001, when permitted by law, interest shall be calculated at an annual rate, compounded annually, of 3% for years prior to 1956, 4% for the years 1956 to 1965, 5-1/4% for the years 1966 to 1975, 7-1/4% for years 1976 to 1985 and, thereafter, equal to the assumed rate of return on investments, adopted by the Board of Trustees and used by the actuary as an actuarial assumption for the Retirement System at the time of such purchase; except, that any member who revokes an election to continue contributions and receive benefits under prior law in accordance with R.S. Mo. Section 169.435 shall have interest on additional contributions for each year involved in such calculation, calculated at an annual rate, compounded annually, equal to the rate interest was credited to members' accounts for such year.
- b. Whenever a member purchases service credit in this Retirement System for involuntary lay off in a staff reduction in accordance with R.S. Mo. Section 169.462, as in effect prior to August 28, 2001, interest will be calculated equal to the assumed rate of return on investments adopted by the Board of Trustees and used by the actuary as an actuarial assumption for the Retirement System at the time of such purchase, interest compounded annually.

Section 2. Effective January 1, 2003, whenever a member purchases service credit or begins a series of regular monthly payments to purchase service credit in this Retirement System in accordance with R.S.Mo. Section 169.440, paragraph 5, sub-paragraphs (a), (b), (c), (d) and (f), and R.S.Mo. Section 169.577, as amended effective August 28, 2001, the member shall pay the actuarial value of such service credit.

Section 3. Effective January 1, 2003, whenever a member purchases service credit or begins a series of regular monthly payments to purchase service credit in this Retirement System in accordance with R.S.Mo. Section 169.440, paragraph 5, sub-paragraph (e), as amended effective August 28, 2001, the member shall repay the amount of the refund of accumulated member contributions plus accrued interest thereon at actuarially assumed rates.

Section 4. Effective January 1, 2003, members will be charged \$100 for each re-calculation of a purchase of service credit that was previously calculated but not purchased.

Section 5. Effective January 1, 2002, this Retirement System will be authorized to accept direct transfers for the purchase of service credit as permitted by the Economic Growth and Tax Relief Reconciliation Act (EGATRRRA) of 2001.

Rule IX. - Factor Tables for Optional Benefits

Section 1. The factor tables used by the Actuary for calculation of benefits under optional forms of benefit payments are set forth in Table A, which is appended hereto. In no event shall the reduction factor be greater than 99.0%. If the beneficiary is ten (10) or more years younger than the member, the

Option 3 factor equals the Option 1 factor less 0.8% and the Option 4 factor equals the Option 2 factor less 0.4%.

Rule X. - Expense and Contingency Reserve

Section 1. The Board of Trustees has adopted a policy, which is reviewed annually, to establish the method by which the amount in the Expense and Contingency Reserve required by R.S.Mo. 169.490.6 shall be re-determined as of each January 1.

Rule XI. - Insurance Program for Retirees

Pursuant to Section 169.476, R.S.Mo. the following rule shall be applicable to all insurance programs approved by the Board of Trustees for the Retirement System:

Section 1. Prior to approval, the cost of each program shall be estimated by the actuary, and the actuary shall certify to the Board of Trustees that the payment of such cost for the period to be approved will not impair the actuarial soundness of the plan and such cost will not exceed the balance remaining in the Expense Fund after all other deductions and transfers therefrom required by law or by sound actuarial practices.

Section 2. The cost of each program approved by the Board of Trustees shall be reserved and paid from the Expense Fund.

Section 3. With respect to each insurance program made available to retirees, the Board of Trustees shall designate the following at the time of approval of such program:

- a. the class or classes of retirees eligible for participation,
- b. the share of the cost to be paid by the Retirement System,
- c. the share of the cost, if any, to be paid by the retirees,
- d. the insurance carrier or carriers who will provide coverage for such program,
- e. the nature and extent of insurance coverage to be afforded, and
- f. the period for which the program will remain in force, subject to reconsideration at any time by the Board of Trustees in case of unanticipated cost increases.

Section 4. The cost and benefits of any insurance program and the participation of the retirees in the payment of any portion of the cost thereof is not required to be uniform among all retirees.

Section 5. The share of the cost of any insurance program to be paid by retirees shall be withheld from retirement benefits pursuant to authorization obtained from each retiree as a condition precedent to participation in such program, and the amounts withheld together with Retirement System's share of the cost shall be paid directly to the insurance carrier or carriers at such periodic intervals as shall be approved by the Board of Trustees. No retiree eligible to participate in any insurance program shall be entitled to receive cash payment in lieu of participation or reimbursement for cost of similar insurance paid by such retiree.

Rule XII. - Disability Benefits

Section 1. Disability benefits approved by the Board of Trustees pursuant to Section 169.460.4 shall be effective and commence as of the later of the first of the month following fifteen (15) days after the date of

filing of the application for disability benefits with the office of the Retirement System, or the first day of the month following the last day for which the applicant is paid by his/her employer.

Rule XIII. - Issuing Trust-to-Trust Transfers

- Section 1.** Effective January 1, 2002, this Retirement System will be authorized to issue trust-to-trust distributions as permitted by the Economic Growth and Tax Relief Reconciliation Act (EGATTRA) of 2001.

Rule XIV. - Missouri Reciprocity

- Section 1.** The provisions of this rule are to be used solely for the purpose of implementing Section 169.569, RSMo. (Hereinafter, all chapter and section citations are to the Revised Statutes of Missouri unless otherwise indicated.)
- Section 2.** “System” or “systems” shall mean one or more of the retirement systems created by Chapter 169 and named in Section 169.569.1.
- Section 3.** The provisions of Section 169.569 and this rule shall apply only to individuals with an effective retirement date after June 30, 2003.
- Section 4.** An individual may combine service credit from each of the systems with which the individual has at least five (5) years of credited service to determine eligibility for normal or early retirement with each of the respective systems. Service credit from a system with which the individual has less than five (5) years of service may not be combined with any other service credit under this rule. Service credit may not be combined for any other purpose. Only service credit that is certified by the relevant system may be combined pursuant to this rule. An individual may not combine credit with other credit that is based on the same period of employment.
- Section 5.** Prior to receiving a retirement benefit from a system, an individual must comply with all of that system’s requirements related thereto. An individual is not required to terminate employment with employers covered by systems from which the individual is not yet receiving a retirement benefit.
- Section 6.** Each system will use its own retirement application. All systems will use a uniform Reciprocity Election form.
- Section 7.** Each system from which the individual is eligible to retire after combining service credit pursuant to this rule shall pay its own retirement benefit and shall determine the benefit it is to pay to the individual based only on the service credit the individual has with that system. Each system paying a retirement benefit shall calculate its own average final compensation based upon an individual’s salaries on record with that retirement system. Each system paying a retirement benefit shall determine the retirement benefit based on its own applicable statutory provisions.
- Section 8.** An individual shall be subject to the working after retirement limitations for each system from which he or she is receiving a retirement benefit. The benefit paid by a system shall be discontinued only if the individual exceeds the working after retirement limitations, if any, of that system due to employment with an employer covered by that system. In the event of a discontinuance of benefits from one system, the individual may continue to receive a retirement benefit from any system for which he or she has not exceeded that system’s working after retirement limitations.
- Section 9.** Service credit may be combined pursuant to this rule only for the purpose of service retirement eligibility and shall not be combined to determine eligibility for any other benefit payable by any system, including, but not limited to disability, surviving spouse and/or children benefits or minimum benefits.

Section 10. Notwithstanding the provisions of Section 9, if, at the time of death, an individual could have elected to retire by combining credit under this rule, the beneficiary of such member may combine credit under this rule to qualify for benefits pursuant to Sections 169.070.3(2)(a), 169.326.3, 169.460.14, or 169.670.4(2)(a).

Rule XV. - Uncashed Monthly Benefit Checks

Section 1. If a member or beneficiary fails to cash two consecutive monthly benefit checks, Retirement System staff will try to locate and ascertain the status of the individual.

Section 2. If a member or beneficiary fails to cash three consecutive monthly benefit checks, future payments will be suspended until the location and status of the individual can be determined.

Section 3. Members or beneficiaries who have had their monthly benefit checks suspended in accordance with Section 2 of this Rule XV and subsequently fail to cash two consecutive monthly benefit checks, will be required to receive future benefit payments through the Retirement System's electronic deposit program.

REGULATIONS

The following regulations are hereby adopted by the Board of Trustees of the Public School Retirement System of the City of St. Louis:

Regulation I. - Amendment of Regulations

Section 1. Any regulation adopted by the Board of Trustees may be amended, suspended, or repealed by a majority vote of the Board of Trustees.

Regulation II. - Medical Board

Section 1. *Duties.* Pursuant to R.S. Mo. 169.450.12, 1978, as amended, the Medical Board shall:

- a. arrange for and pass upon all medical examinations required under the provisions of R.S. Mo. 169.410 - 169.540;
- b. investigate all essential statements and certificates made by or on behalf of a member in connection with an application for disability retirement; and
- c. report in writing to the Board of Trustees its conclusions and recommendations upon all matters referred to it.

Section 2. *Composition.* The Board of Trustees shall designate a Medical Board to be composed of three physicians, none of whom are eligible for benefits under R.S. Mo. 169.410 - 169.540.

Section 3. *Examinations.* Examinations required by law shall be made as follows:

- a. Except as provided herein, a member of the Medical Board (hereafter referred to as the "Examiner") shall examine each member referred to the Medical Board by the Board of Trustees or shall review any medical records submitted by or on behalf of the member to determine whether the member is mentally or physically totally incapacitated for the further performance of duty, that such incapacity is likely to be permanent and that such member should be retired.

The member may submit or cause to be submitted to the Medical Board for its consideration any medical records or other evidence pertaining to the member's claimed disabling physical or mental condition. No physical examination will be conducted if the Medical Board determines in its discretion that one is not needed.

- b. If the Examiner determines that the member should be examined by a specialist, the Examiner shall notify the Executive Director and request the Executive Director's permission to make the arrangements for such examination. The Executive Director's permission shall not be unreasonably withheld. The specialist shall prepare a written report of his/her findings as requested by the Examiner and submit his/her report to the Medical Board. The Medical Board may in its discretion base its report thereon.
- c. The Medical Board shall take into consideration in making its determination of disability the Examiner's findings, any medical records or other evidence submitted by or on behalf of the member, and the report to the Medical Board of any specialist or physician to whom the member was referred by the Medical Board for examination. The Medical Board shall submit the completed report to the Board of Trustees. If the Medical Board recommends that the member be retired and the Board of Trustees accepts such recommendation, the Executive Director shall notify the member that his/her application for disability retirement has been approved.

In the event the Medical Board recommends that the member should not be retired, the PSRSSL shall mail a copy of the completed Medical Board report to the member. The member

may request that the Medical Board reconsider its recommendation by filing with the Board of Trustees within sixty days after receiving notification of the recommendation of the Medical Board a request for reconsideration form setting forth in detail why the Medical Board's determination is erroneous. In support of the member's request for reconsideration, the member may submit or cause to be submitted any medical records or other evidence not already provided to the Medical Board and may submit or cause to be submitted a statement by the member's treating health care professional(s) setting forth in detail why the recommendation of the Medical Board is erroneous.

A member or members of the Medical Board may confer by phone or in person with the member's treating health care professional(s) and may request any additional medical records from the member's treating health care professional(s) or health care facilities. The Medical Board shall review all the evidence and shall issue a new report to the Board of Trustees.

- d. The Medical Board shall keep and maintain a file on every member referred to it by the Board of Trustees. The file shall contain any materials considered by the Medical Board in reaching its conclusion, all medical records or other evidence submitted by or on behalf of the member and the report of any specialist or physician to whom the member was referred for examination by the Medical Board.
- e. The Medical Board may authorize the member's regular physician to prepare and submit a medical report on the member to the Medical Board. The Medical Board may in its discretion base its report thereon.
- f. If the member is unable to make application for a disability retirement allowance on his own behalf, the member's next of kin or other person legally authorized to act on the member's behalf may submit an application for the member.

Section 4. *Fees.* The fees charged for an examination or preparing a recommendation or report on examination of any member of beneficiary by any member of the Medical Board or any specialist shall not be more than the usual, customary and reasonable fees charged for such services in the Metropolitan St. Louis Area, subject to approval by the Board of Trustees.

Regulation III. - Governance of Employees of the Retirement System

Section 1. The office hours for employees of the Public School Retirement System for the City of St. Louis shall be from 8:00 a.m. to 4:30 p.m., Monday through Friday. Each employee shall be entitled to one hour for lunch during each day, to be taken at a time designated by the Executive Director.

Section 2. The following days shall be regarded as holidays, and the office shall be closed:

New Year's Day

Martin Luther King's Birthday

Presidents' Day

Memorial Day

Juneteenth

The 4th of July

Labor Day

Veterans Day

Thanksgiving Day and the day following Thanksgiving Day

Christmas Eve and Christmas Day

The office shall close at 12 noon on Good Friday and the balance of the day shall be a holiday.

When a holiday occurs on Sunday, the following Monday shall be observed as a holiday. When a holiday falls on Saturday, the preceding Friday shall be observed as a holiday.

When Christmas Eve falls on Friday, Thursday and Friday of that week will be observed as holidays. When Christmas Eve falls on Saturday, the preceding Friday and the following Monday will be observed as holidays. When Christmas Eve occurs on Sunday, the following Monday and Tuesday will be observed as holidays.

(Section 2, Revised 10-24-22)

Section 3. Effective January 1, 2002, each employee will establish a Vacation Year determined by his/her date of employment with the Retirement System based on the first day of the month following date of employment. For example, if John is hired July 15, 2002, John's first Vacation Year will begin August 1, 2002.

First through Fifth Vacation YearsEmployees will earn one day of vacation each month that should be used by the end of the following Vacation Year.

Sixth through Tenth Vacation YearsEmployees will earn 1.25 days of vacation each month that should be used by the end of the following Vacation Year.

Eleventh through Fifteenth Vacation YearsEmployees will earn 1.67 days of vacation each month that should be used by the end of the following Vacation Year.

Sixteenth Vacation Year ForwardEmployees will earn two days of vacation each month that should be used by the end of the following Vacation Year.

Without consent of the Executive Director, employees will not be permitted to carry over vacation days that remain unused at the end of the Vacation Year during which they should have been used; however, if an employee has vacation days that have not been used by the end of the Vacation Year during which they should have been used, up to a maximum of fifty percent (50%) of the employee's annual vacation accrual amount will be converted to sick leave.

Employees hired prior to January 1, 2002 will be permitted to retain vacation days which had been earned but not used as of December 31, 2001 plus vacation days earned under previous Regulation III, Section 3 from January 1, 2002 through the beginning of their first Vacation Year following January 1, 2002. Such retained vacation days will be available for use during an employee's continued employment with the Retirement System, or will be paid at employment separation.

Section 4. All vacations shall be taken at such time or times as approved by the Executive Director.

Section 5. All employee overtime approved by the Executive Director shall be compensated at one and one half (1-1/2) times regular compensation or, at the employee's option, the employee may receive compensating time off to be taken within thirty days after such overtime work at a time satisfactory to the Executive Director.

Section 6. The medical insurance program approved by the Board of Trustees for employees of the Retirement System shall be paid by the Retirement System and shall cover employees only.

Section 7. The life insurance program adopted by the Board of Trustees for employees of the Retirement System shall be paid by the Retirement System and shall cover employees only.

Section 8. Each employee shall be entitled to sick leave when prevented from working by illness or accident at the rate of twelve days per calendar year. If four or more consecutive work days are claimed as sick leave, the employee, as a condition of receiving compensation therefore, must present the Executive Director with a doctor's certificate stating that he/she was prevented by illness or accident from working on such days. Employees may accumulate sick leave from year to year up to a maximum of three hundred (300) days. Taking undue advantage of this policy may result in disciplinary action up to and including discharge.

Section 9. Employees shall be paid full salary for absence due to the death of a relative, but such absence from duty shall be limited as follows:

- a. Five (5) working days in any pattern immediately preceding or following the day of death (including the day of the funeral) for spouse or child or parent of an employee.
- b. Three (3) working days in any pattern immediately preceding or following the day of death (including the day of the funeral) for an employee's brother, sister, half-brother or half-sister, nephew, niece, aunt, uncle, grandparent, step-parent, parent-in-law, step-brother or sister, sister-in-law, brother-in-law, daughter-in-law, son-in-law, or grandchild.
- c. One (1) working day for an employee's great-grandparent, aunt or uncle-in-law, grandparent-in-law, niece or nephew-in-law, great grandchild, grand nephew or niece, grand aunt or uncle, or first cousin.
- d. Leave to attend a funeral of an employee of the Retirement Office may be granted by the Executive Director.
- e. A memorial may be made for a deceased relative of an employee as mentioned in subparagraphs a and b of this Section. The memorial shall be a minimal expense to the System (not to exceed \$25.00-\$35.00), and shall be either a contribution to a recognized charitable organization in memory of the deceased, or an appropriate floral arrangement delivered to a member of the family of the deceased. A sympathy card shall be forwarded to the family of the deceased where the deceased is a relative of an employee mentioned in subparagraphs a, b, and c of this Section.

Section 10. Employees subpoenaed for jury service shall be granted time off and their daily rate of pay reduced by the amount of monies received from the Court.

Section 11. Employees are eligible for educational assistance to reimburse the cost of tuition and books for job-related courses and/or for courses required in pursuit of a job-related degree. Subject to dollar limitations for non-taxable tuition assistance in the income tax code and to pre-approval by the Executive Director, employees will be eligible for reimbursement of 90% for an "A", 80% for a "B", and 70% for a "C".

So as not to interfere with job performance, educational assistance benefits will be paid for no more than two (2) classes taken at the same time. Classes must be taken outside of regular office hours.

Section 12. Subject to income tax regulations governing dollar limitations for non-taxable public transportation / parking benefits, and provided employees submit receipts for such expenses, employees will be eligible for non-taxable reimbursement of up to \$90 per month for the use of public transportation to and from work and work-related parking expenses.

Section 13. Changes in salaries and benefits for employees of the Retirement System shall be approved by the Board of Trustees. At least annually, generally in concert with the annual presentation of the recommended Operating Budget for the Retirement System, the Executive Director will include recommendations for adjustments to the salaries and benefits package for Retirement System employees who are not covered by a separate employment contract.

At the discretion of the Executive Director, a salary increase approved by the Board of Trustees shall not be granted to a Retirement System employee who has been placed on a performance or disciplinary probation or to any Retirement System employee whose overall performance rating is not at an acceptable level until such time as the employee's performance deficit has been satisfactorily corrected.

Prior to authorizing that a salary increase be withheld, the Executive Director will prepare or review written documentation concerning the employee's unsatisfactory performance and will discuss with the affected employee a specific written plan for improvement.

Section 14. If any employee is terminated from employment with PSRSSTL, is disciplined under these Rules and Regulations, including discipline for absences or tardiness pursuant to Regulation IV, or has a complaint regarding the implementation or interpretation of these Rules and Regulations, this Grievance Procedure shall apply:

Step 1. The employee shall first attempt to informally resolve his or her grievance by meeting with the employee's direct supervisor within five (5) working days of the event giving rise to the grievance. If the grievance is resolved at this Step, the resolution shall be final and binding;

Step 2. If the grievance is not satisfactorily resolved at Step 1, the employee shall submit a written grievance to the Executive Director within five (5) working days of the meeting referred to in Step 1. PSRSSTL may designate a form to be used for this purpose. As soon as practicable, the Executive Director shall meet with the employee and the direct supervisor to discuss a resolution of the grievance. If the grievance is resolved at this Step, the resolution shall be final and binding. If the grievance is not resolved at this Step, the Executive Director shall issue a written decision, stating the reasons therefore, within three (3) days of the Step 2 meeting;

Step 3. If the grievance is not satisfactorily resolved at Step 2, the employee may request an arbitration panel within three (3) working days of the Step 2 decision. PSRSSTL may designate a form to be used for the purpose of requesting arbitration. The arbitration panel shall consist of the Chair of the Personnel Committee, who shall be the chair of the panel, and two Trustees appointed by the Chairperson of the Board of Trustees.

The arbitration panel shall meet within ten (10) working days of the filing of the request. The employee may present documentary and/or testimonial evidence to the arbitration panel to challenge the discipline or the implementation or interpretation of the Rules and Regulations. The Executive Director, or his/her designee, may also present documentary and/or testimonial evidence in support of the discipline or rule implementation or interpretation.

The arbitration panel shall render its decision in writing, giving reasons therefore, within five (5) working days of the meeting of the arbitration panel. The decision of the arbitration panel shall be final, conclusive and binding on all parties.

These deadlines must be strictly complied with. Any failure of the employee to comply shall constitute a waiver of remaining Steps and shall be conclusive of the grievance. The Executive Director, Interim Executive Director, or his or her designee may waive noncompliance with deadlines upon a showing by the employee of a legitimate emergency, or other valid reason for noncompliance. No waiver of noncompliance in a particular case shall be considered a binding past practice and no such waiver of noncompliance shall be binding on PSRSSTL in any future case.

The Grievance Procedure shall not be interpreted as creating a contract of employment, or otherwise modifying or eliminating the Employment-At-Will Doctrine.

Regulation IV. - Leave of Absence and Employee Attendance

Section 1. *Leave of Absence.* In the event an active member of the Retirement System on leave of absence with the consent of the Board of Education shall retire while on such leave of absence, his retirement allowance shall be determined in accordance with the provisions of law in effect at the time of his retirement. In all other cases, those members on leave of absence who retire shall be granted an allowance in accordance with the provisions of law in effect at the time of their active membership.

Section 2. *Employee Attendance*

- a. All employees are expected to be at work every day on time.
- b. Sick leave is to be used only for the illness of the employee or the employee's immediate family.
- c. Use of sick leave for the illness of the employee's immediate family is limited to three (3) consecutive days, each occurrence.
- d. A doctor's note stating that the employee is ready to return to work may be required for an employee that has been absent for personal illness for four or more consecutive work days.
- e. The Executive Director is to use the following in evaluation of the employee's attendance record:

Five (5) absences or a total of three (3) Monday and/or Friday absences or three (3) incidents of tardiness: Action - conference is held to let the employee know that his/her attendance is in need of improvement. Record conference time and date on Absent/Tardy Notice.

Seven (7) absences or a total of four (4) Monday and/or Friday absences or five (5) incidents of tardiness: Action - conference is held to warn employee that continued absence/tardiness may require disciplinary action which could result in recommendation for discharge. Record conference time and date on Absent/Tardy Notice.

Eleven (11) absences or a total of six (6) Monday and/or Friday absences or more than five (5) incidents of tardiness: Action - If reasons for absence/tardiness are not satisfactory, dismissal may be recommended, depending on number and circumstances.

Extenuating circumstances may alter or preempt any of the actions.

Failure to follow the foregoing procedure shall in no way limit the Public School Retirement System's authority to discipline employees for excessive absenteeism or tardiness.

Regulation V. - Information Required for Optional Benefits

Section 1. As a condition of electing optional survivor benefits in accordance with the provisions of Sections 169.410 to 169.540 R.S. Mo. 1978, as amended a member shall submit proof of date of birth of all beneficiaries as required by the actuary.

Regulation VI. - Availability of Minutes of Meetings of Board of Trustees

Section 1. Any employee or retiree of the St. Louis City School district or other person may obtain at the office of the Public School Retirement System of the City of St. Louis not sooner than ten (10) days following each regular or special meeting of the Board of Trustees of the Retirement System, a copy of minutes of such meeting, subject to approval, corrections, additions, deletions and changes by the Board of Trustees at its next regularly scheduled meeting. For a period of thirty (30) days after such meeting such copies may be obtained at no charge, but thereafter a charge of 10 cents (10¢) per page may be assessed and collected when minutes are delivered.

Regulation VII. - Counsel to the Board of Trustees

- Section 1.** Counsel to the Board of Trustees shall notify the Executive Director in the event there shall be a conflict of interest in his/her representation of the Retirement System with respect to any matter submitted to him/her for legal advice or assistance. In such instances, the Executive Director shall retain special counsel for such matter from a list approved by the Board of Trustees and shall promptly notify the Board of Trustees of such action.

Regulation VIII. - Deferred Compensation Plan

- Section 1.** The Retirement System shall provide a Deferred Compensation Plan under Section 457 of the Internal Revenue code of 1986, as amended, for its employees. The plan shall be funded exclusively with contributions by employees of the Retirement System and the Retirement System shall make no contributions to the plan. Participation by employees in this plan shall be optional and shall be in addition to their required participation in the Retirement System retirement plan. The plan shall be administered by the Equitable Life Assurance Society of the United States or such other administrator as shall be determined from time to time by the Board of Trustees of the Retirement System, without cost to the Retirement System.

TABLE A

OPTION BENEFICIARY FACTORS

		<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
BENEFICIARY YOUNGER BY:	5 Years	77.6%	87.4%	76.3%	86.6%
	4 Years	78.4%	87.9%	77.0%	87.0%
	3 Years	79.2%	88.4%	77.7%	87.4%
	2 Years	80.0%	88.9%	78.4%	87.8%
	1 Year	80.8%	89.4%	79.1%	88.3%
BENEFICIARY SAME AGE:		81.7%	89.9%	79.8%	88.7%
BENEFICIARY OLDER BY:	1 Year	82.5%	90.4%	80.5%	89.1%
	2 Years	83.3%	90.9%	81.2%	89.6%
	3 Years	84.2%	91.4%	81.9%	90.0%
	4 Years	85.0%	91.9%	82.5%	90.4%
	5 Years	85.9%	92.4%	83.3%	90.8%
For each year beneficiary is younger (older) in excess of 5 years subtract (add) to 5 year factor		0.8%	0.5%	0.7%	0.4%
<p>However, in no event shall the reduction factor be greater than 99.0%; and, if the beneficiary is ten (10) or more years younger than the member, the Option 3 factor shall be equal to the Option 1 factor less 0.8% and the Option 4 factor shall be equal to the Option 2 factor less 0.4%.</p>					

Public School Retirement System of the City of St. Louis
Education, Travel, Code of Ethics Policies, Document, and Missing Members/Beneficiaries

Missouri Statutes §§105.450, 105.452, 105.454, and 105.458 describe certain prohibited acts by elected and appointed public officials and employees which apply to trustees who serve on the Board of Trustees (the “Board”) of the Public School Retirement System of the City of St. Louis (the “System”) and the individuals the Board employs. For reference, copies of the relevant statutes are attached.

Above and beyond these broad statutes, the Board believes it is prudent to adopt specific additional policies that establish high, ethical standards for the System’s trustees and employees. In this regard, education, travel, and code of ethics policies are contained herein. These policies have been adopted by the Board to provide standards for trustee and employee behavior and to protect the System from the implications of actual and/or perceived improprieties.

Education Policy

As fiduciaries of PSRSSTL, Trustees are expected to be capable of performing their duties and responsibilities. To that end, each Trustee should be educated sufficiently to discharge the obligations of the position. Pursuant to Section 105.666, RSMo., the Board has established this Board Education Policy applicable to all Trustees.

A. New Trustee Orientation Program

Within ninety days of assuming the position of Trustee, new Trustees shall complete six hours of education in a New Trustee Education Program. The curriculum of the New Trustee Education Program shall include, at minimum, the following:

- Duties and responsibilities of Trustees;
- Ethics;
- Governance process and procedures;
- Pension plan design and administration of benefits;
- Investments, including but not limited to the fiduciary duties as defined under Section 105.688, RSMo.;
- Legal liability and risks associated with the administration of a plan;
- Sunshine law requirements under chapter 610;
- Actuarial principles and methods related to plan administration; and
- The role of staff and consultants in plan administration.

B. Trustee Education Policy

- Each Trustee is responsible for evaluation of the Trustee’s educational needs and obtaining knowledge of specific subject matter.
- Trustees who have served one or more years shall attend at least a total of two hours of continuing education programs each year in the curriculum areas described above.
- Trustees shall routinely inform the Executive Director of their attendance at any continuing education program, and which shall include but is not limited to date, time, length, location, education material, and any facilitator utilized. The Trustees designate the Executive Director to maintain a record of such information and the Executive Director shall complete a certification that the Trustee’s annual continuing education requirements were satisfied.

Publications, Subscriptions, Membership Dues

- The System will pay for an annual subscription to “Pensions & Investments” on behalf of each trustee.
- The System will pay membership dues for the National Council on Teacher Retirement (NCTR), the National Association of Securities Professionals (NASP), and the Missouri Association of Public Employee Retirement Systems (MAPERS).

Conferences, Workshops

- The Board has authorized Trustees and the Executive Director to attend conferences sponsored by the NCTR, NPPFA, NASP, at the national level, and MAPERS. Attendance at other educational conferences will be authorized by specific Board approval on a case by case basis. Within sixty days of attending such a conference, the Trustee shall provide a short written report to the Executive Director regarding the educational seminars he/she attended at such a conference.
- From time to time, the Board will invite its professional staff and its investment managers to conduct workshops on specific issues related to pension management.
- On an annual basis, at least two education and training workshops are to be provided by the investment consultant, investment managers or other professionals at a location in or around the St. Louis Metropolitan Area as approved by the Board of Trustees.

Travel Policy

The Travel Policy is intended to provide for the payment of reasonable and proper expenses of the trustees and employees of the System which are actually incurred, appropriately documented, and in connection with the performance of an individual's duties to the System. Travel to educational conferences sponsored by NCTR, NASP, and MAPERS has been authorized by the Board. Travel to other conferences and to business meetings requires specific Board approval.

Trustees and employees who are attending approved educational conferences or business meetings will be responsible for making their own travel arrangements and reservations. Trustees and employees who are planning to attend conferences which have been pre-approved under the System's Education Policy must advise the Executive Director in advance of their intention to attend. The Executive Director will include such information under the Report of the Executive Director at the next regularly scheduled meeting of the Board in order that minutes of the Board meetings will reflect attendance at pre-approved conferences.

The Board encourages trustees and employees to book travel plan arrangements at least fourteen (14) days during the school year and twenty-one (21) days during the summer break in advance to the extent reasonably practical.

After their return, individuals will be required to submit a Travel Expense Voucher to the Retirement Office and will be subject to the same documentation requirements for the payment of reasonable expenses whether they use the Reimbursement Method or Advance Method, both of which are described below.

Except in situations involving emergencies such as illness or work-related demands, individuals will be responsible for any changes in travel costs as a result of voluntarily changing a booked and paid travel itinerary. If travel is cancelled or not completed by the individual and a travel advance has been paid by the System, then individuals must file a Travel Expense Voucher and reimburse any amount owed the System.

☞ *Reimbursement Method*

Individuals using the Reimbursement Method will pay their expenses and, within thirty (30) days of their return, submit Travel Expense Vouchers (sample attached) and proper documentation and receipts to the Retirement Office for reimbursement. The Retirement Office will reimburse individuals for approved travel expenses within ten (10) days of final approval of their Travel Expense Vouchers.

☞ *Advance Method*

Individuals using the Advance Method may request an advance from the Retirement Office for anticipated expenses for registration fees, transportation and lodging by completing the appropriate form and providing documentation that shows the anticipated expenses. Within thirty (30) days of returning from their trips, individuals **must** submit Travel Expense Vouchers (sample attached) and proper documentation and receipts to the Retirement Office, and

- if their advances exceed their approved, actual expenses, they must reimburse the System for the difference within ten (10) days of final approval of their Travel Expense Vouchers, or
- if their approved, actual expenses exceed their advances, the Retirement Office will reimburse them for the difference within ten (10) days of final approval of their Travel Expense Vouchers.
- Any trustee or employee who fails to timely submit a Travel Expense Voucher, or to timely reimburse the System the amount of any over-advanced money shall not be entitled to request any further advances or make any System related travel plans until such time as the appropriate Travel Expense Voucher has been submitted, finally approved, and any over-advanced money reimbursed to the System.
- The Executive Director will include information on Trustees ineligible to travel under the Report of the Executive Director at the next regularly scheduled meeting of the Board.

☞ *Receipts*

- An itemized receipt **must** be submitted for all expenditures, if receipts are normally available for the type of expense incurred. For example, receipts are normally available for meals, parking and taxi fare, but not from a doorman or bellhop. Credit card or cash summary receipts that do not itemize expenses may not be accepted.
- A receipt from a travel agent is **not** acceptable for transportation expenditures. Rather, individuals must submit a ticket stub or passenger receipt from the carrier.
- If a receipt includes expenses for another individual, the relationship of the other individual to the System will determine whether the expense will be paid by the System.
 - ◆ For example, if one trustee pays for meals for several trustees, such that the expenditure would have been reimbursable if it had been paid individually by the other trustees, the entire expenditure would be reimbursable to the trustee who paid for the meals. The trustee who paid for the meals should indicate on the receipt the names of the individuals for whom the expenses were incurred and their relationship to the System.
 - ◆ On the other hand, if a receipt includes an expenditure for the meal of a trustee's spouse or guest, an adjustment should be made to exclude that expense and so noted on the receipt.

☞ *Payable Days*

Payable expenses may be incurred during one-day traveling to and one-day traveling from an approved conference or meeting, and while in attendance at the conference or meeting. In cases where a trustee or employee intends to request payment for an extended stay, such individual must submit to the Executive Director, at least 48 hours prior to traveling to the conference or meeting, a written statement detailing the savings to the System resulting from the extended stay. Within 24 hours after receipt of any such written

statement, the Executive Director shall notify the trustee or employee that such written statement: (1) appears in compliance with the Travel Policy and will be recommended for final approval; (2) raises issues or concerns that will need to be resolved by the Board or appropriate committee of the Board responsible for administering this Travel Policy (the “Committee”). The Committee shall be appointed by the Chairperson of the Board and shall be representative of the Board in composition.

Expenses incurred as the result of an individual’s extended stay which exceed the limits of this Travel Policy will not be payable by the System.

✎ *Transportation Expenses*

- Payable transportation expenses will be the lesser of reasonable coach airfare or, if alternative transportation is utilized, the actual cost of alternative transportation.
- Payable transportation expenses will include the cost of public transportation to and from the airport or the cost of long-term airport parking.
- In cases where individuals use automobiles which they own or lease, payable cost will be determined by actual miles driven on the most direct route at the current mileage rate permitted by the Internal Revenue Code. Expenses incurred as the result of a detour taken voluntarily by the individual will not be paid by the System.
- Generally, car rental fees will not be paid by the System; however, the System will reimburse an individual for car rental fees for the days of a conference plus arrival and departure days in the event of an unusual situation where renting a car will result in lower overall cost than alternative transportation, such as taxis or shuttle buses. In cases where an individual is requesting reimbursement for car rental expenditures, such individual must comply with the procedures set forth above regarding additional day’s stays to establish that the overall cost of renting a car will be less costly than available alternative transportation.

✎ *Personal Expenses*

Generally, expenses of a personal nature, such as recreational expenditures or additional expenses incurred on behalf of a spouse or guest, are *not* reimbursable. However, reasonable expenses for long distance telephone calls to an individual’s family and employer shall be paid by the System and shall not be included under any maximum daily living expense allowance established by the Board. To provide additional guidance regarding “reasonable” long distance telephone expenses, the Board would deem it reasonable for individuals to call their families and employers once a day during their absences; however, lengthy or numerous long distance telephone calls should be explained in writing and payment will be subject to approval by the Committee.

✎ *Approval Process*

- The Executive Director will conduct an initial review of Travel Expense Vouchers to assure that submitted expenditures are in compliance with the System’s Travel Policy, that advances have been properly recorded, and that appropriate documentation has been included. As a part of the initial review process, the Executive Director will discuss issues of concern with the trustee or employee who submitted the voucher for payment. At the conclusion of the initial review process, the Executive Director will forward Travel Expense Vouchers to the Committee with a recommendation (a) to pay the voucher as submitted, or (b) to scrutinize specified expenditures that do not appear to be addressed by or in compliance with the System’s Travel Policy.
- The Committee will be responsible for final approval of Travel Expense Vouchers in cases where the expenditures are addressed by and in compliance with the System’s Travel Policy; however, payment of expenditures that are not included as payable under the System’s Travel Policy and/or reimbursement of extraordinary or unanticipated expenditures will require full Board approval.
- In the event the Committee, or the full Board, if full Board approval is required, is unable to determine if a specific expenditure is payable, the Committee, or the Board, shall obtain advice from the System’s legal

counsel and/or its accounting firm to assist them in coming to an appropriate conclusion which is consistent with the spirit of the Travel Policy and applicable law.

- With respect to the payment of travel expenses, the decision of the Committee, or the Board, as the case may be, will be final.

Code of Ethics Policy

The Uniform Management of Public Employee Retirement Systems Act (UMPERSA) defines a trustee as a person having ultimate authority to manage a retirement system or to invest or manage its assets. Section 7 of the Act describes General Fiduciary Duties as follows:

“A trustee or other fiduciary shall discharge duties with respect to a retirement system:

- (1) solely in the interest of the participants and beneficiaries;
- (2) for the exclusive purpose of providing benefits to participants and beneficiaries and paying reasonable expenses of administering the system;
- (3) with the care, skill and caution under the circumstances then prevailing which a prudent person acting in like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose;
- (4) impartially, taking into account any differing interests of participants and beneficiaries;
- (5) incurring only costs that are appropriate and reasonable; and
- (6) in accordance with a good-faith interpretation of the law governing the retirement program and system.”

It is a trustee’s duties of loyalty and care to the participants and beneficiaries of the System that create standards prohibiting conflicts of interest and requiring trustees and employees to act with the highest level of ethical responsibility in the performance of their duties. This Code of Ethics Policy addresses conflicts of interest and situations that can appear to be conflicts of interest from two perspectives: (a) as they relate directly to trustees and employees of the System, and (b) as they relate to the professionals employed by the System, such as investment consultants, money managers, brokerage firms, insurance brokers, attorneys, auditors, actuaries, custodians, etc.

☞ Trustees and Employees

Trustees and employees, by their conduct, shall not create a reasonable basis for the impression or perception that any person, organization or firm can influence them in the performance of their official acts or actions. In this regard, any trustee/employee relationship or association with a current or prospective vendor must be directly beneficial to the System, or must be reasonably expected to provide the trustee or employee with educational assistance that will be immediately relevant to his/her duties to the System. A trustee’s duty of loyalty also includes the obligation not to be influenced by the interest of any third party, including an obligation to subjugate the interests of the party who appointed the trustee, for example, the union or plan sponsor, to the interests of the participants and beneficiaries of the System.

➤ **Gifts and Gratuities**

- ◆ Trustees and employees shall not solicit or accept contributions or gifts (to include lodging, transportation, or invitations to social/sporting events) from any single current or prospective vendor which exceed a value totaling \$50 in any calendar year. Trustees and employees shall disclose on the Annual Disclosure Statement any and all contributions or gifts (to include lodging, transportation, or invitations to social/sporting events) that were extended to a relative, spouse or guest of the Trustee or employee. However, the limitation on gifts does not apply:

- a) to business meals/receptions where a representative of the vendor is present for the purpose of conducting business or providing education,
 - b) to seminars/conferences sponsored by a vendor or prospective vendor where attendance is approved by the Board of Trustees or the System's Travel Policy,
 - c) to participation in recreational or social events while attending a seminar/conference, provided said events are available to a majority of the seminar/conference attendees,
 - d) to participation in recreational or social events sponsored by a vendor or prospective vendor provided attendance is expected to benefit the System and provided attendance is reported on the trustee's/employee's Annual Disclosure Statement.
- ◆ Trustees and employees shall not solicit or accept contributions or gifts from current or prospective vendors for their own personal benefit or in behalf of any third party.
 - ◆ Trustees and employees shall not solicit or accept contributions or gifts from current or prospective vendors if they know, or reasonably should know, that such contributions or gifts are intended to influence their actions or decisions with respect to the System.
 - ◆ If a trustee or employee receives an unsolicited, prohibited contribution or gift, he/she should return such contribution or gift to the source; however, if returning the contribution or gift is not possible or feasible, the contribution or gift should be donated to a charitable organization.
- Personal Investments/Obligations
- Trustees and employees shall not make personal investments, engage in transactions or professional activities, or incur obligations of any nature which would create, or which the trustee or employee should reasonably foresee would create, a substantial interest in a business, contract, property, or investment that would result in a significant or continuing conflict of interest, or the appearance of a conflict of interest, with the System.
- Confidential Information
- Trustees and employees shall not use confidential information pertaining to the System, or confidential information obtained by reason of their position with the System, for the purpose of personal gain or gain for a third party, nor, except as may be required by law, shall they disclose confidential information pertaining to the System to any person not authorized by the Board to receive such confidential information.
- Nepotism
- On the basis of objective qualifications and competitive cost, the System may elect to hire or retain the relative of a trustee or employee; however, it will be incumbent upon the trustee or employee to disclose such a relationship to the Board as early in the evaluation and selection process as is reasonably possible.
- Annual Disclosure Statement
- ◆ No later than January 31st each year, every trustee and employee of the System shall complete an Annual Disclosure Statement (sample attached) which will be received by and maintained in the Retirement Office for a period of at least five (5) years.
 - ◆ The Executive Director will include information on Trustees and employees that are in noncompliance with the Annual Disclosure Statement at the first regularly scheduled meeting of the Board each year, usually in February, under the Report of the Executive Director.
 - ◆ A trustee or employee who fails to file an Annual Disclosure Statement by January 31st, or who violates the System's Code of Ethics Policy, will be subject to sanctions, at the discretion of the Board, up to

and including removal from office or employment termination.

🔗 Vendors

At the time a vendor is hired/retained, and thereafter, on or about November 1st each year, every vendor who conducts business with the System will receive a copy of the System's Code of Ethics Policy. Vendor copies will contain a form to be returned to the System on which vendors will acknowledge receipt and acceptance of the System's Policy. If the System learns that a vendor has violated the Code of Ethics Policy without a prior written waiver from the Board, the vendor's contract will be terminated and the vendor will not be eligible to do business with the System for a period of at least two (2) years.

DOCUMENT RETENTION AND DESTRUCTION POLICY

(As Adopted June 21, 2021)

Authority and Purpose

1. This Document Retention and Destruction Policy for the Public School Retirement System of the City of St. Louis ("Retirement System" or "Board") identifies the record retention responsibilities of employees and staff in relation to the Retirement System's documents/records.
2. Under the Board's enabling statute, the Board may establish rules and regulations for the administration of the Retirement System, which includes but is not limited to, maintenance and disposal of records under its control. § 169.450.8, R.S.Mo.
3. This Document Retention and Destruction Policy is intended to establish timeframes for the retention and destruction of Retirement System records for the orderly and efficient operation of the Retirement System.

Policy Objectives

4. The objectives of the policy are to ensure that the Retirement System:
 - a. Properly maintains its records for the appropriate time period; and
 - b. Properly destroys records once the appropriate time period has passed; and
 - c. Staff is apprised of the retention periods and destruction method for the records entrusted to their care.

Record Definition

5. As used in this policy the term "record", shall, unless the context clearly requires otherwise, mean any document, book, paper, photograph, sound recording or other material, regardless of physical form or characteristics (including electronic mail and other electronically stored documents), made or received pursuant to law or in connection with the transaction of official business.
6. Any other artifact not incorporated into the definition of a "record" shall be a "nonrecord" and not subject to document retention as outlined by this policy. Nonrecords shall include material made or acquired and preserved solely for reference, extra copies of documents preserved only for convenience or reference, other materials that do not record the position of the Retirement System, and stocks of publications and of processed documents which are not included in the definition of "record" and not treated as a record.

Litigation Holds

7. Whenever the Retirement System learns that litigation against the Retirement System is reasonably anticipated, threatened or pending, the Executive Director shall notify the Retirement System's Legal Advisor. The Legal Advisor will inform the Executive Director which documents should be held.
8. The litigation hold applies to electronic and hard copy documents including email correspondence, work drafts, notes, memoranda, correspondence, photographs, videotape recordings and other documents

pertaining to the litigation as determined by the Legal Advisor. All documents pertaining to the litigation in the possession of the Retirement System must be preserved until the later of (i) the applicable time period set forth for preservation of the record under these guidelines, or (ii) the date the Legal Advisor informs the Retirement System that the litigation hold is no longer in effect.

Timelines for Document/Record Retention

If a document/record falls into two or more different timelines below, the document/record should be kept for the longer period of time applicable to the document/record.

1. **Permanent Documents/Records**: These documents/records must be retained permanently by the Retirement System:

- a. Governance Records*

- i. Minutes of all Board meetings, including regular and committee meetings.
- ii. Rules and Regulations of the Retirement System, including any and all documents (such as policies) incorporated by reference.
- iii. Newsletters
- iv. Board Resolutions
- v. Bylaws and other organizational documents/records.
- vi. Plan records and documents incorporated therein by reference.
- vii. Member Handbooks
- viii. Retirement Guides
- ix. Administrative Procedures for Charter Schools handbook
- x. Annual certifications of amount to be paid to Retirement System
- xi. Documents/records related to purchase/sale of real property, such as purchase agreements, deeds, purchase price and cost of all permanent improvements.
- xii. Important legal documents/records.
- xiii. Actuarial Reports.
- xiv. Comprehensive Annual Financial Report (CAFR).
- xv. Auditor financial reports.
- xvi. Notarized documents/records
- xvii. Stock certificates
- xviii. Election certification letters issued by Trustee Election Commissioner
- xix. Trustee certifications issued by Circuit Clerk
- xx. Documents/records that cannot be clearly, accurately or completely transferred to an electronic recordkeeping system.

- b. IRS and Audit Documents and Related Records*

- i. IRS tax exemption determination letters and related correspondence.
- ii. Audits and investigations performed by any private entity, state or federal agency, including, but not limited to the IRS or State Auditor.

- c. Member Records*

- i. The following records will be kept permanently in an electronically imaged format. Paper copies of the following records will be retained for at least five (5) years following the Member's death or the last payment made to the Member's beneficiary.
 1. All documents/records which substantiate a Member's benefit such as reports, hours submitted on the Member's behalf, pension benefit statements, employer

- paycheck stubs, employer payroll records, marital status records, age and service records that are used to determine eligibility, vesting, and benefits, etc.
2. Support orders and tax levies.
 3. Death certificates.
 4. Beneficiary designations and election forms.
 5. Any documents/records related to any benefit denials and any appeals related thereto.
 6. Applications and enrollment documentation/records.
2. Government Filings: These documents/records must be retained by the Retirement System for at least seven (7) years following the end of the plan year during which the document/record was filed with the applicable government agency:
- a. Paper copies of any Federal, state and local tax returns and all supporting documentation. Electronic copies of any Federal, state and local tax returns will be permanently maintained.
 - b. All documents/records required to be filed with the IRS or State of Missouri and all supporting documentation if such documents/records are not specifically set out with a longer retention period herein.
3. Contracts, Insurance and Investments: These documents/records must be retained by the Retirement System for at least ten (10) years following their termination date or in the case of insurance claims and accident reports, at least ten (10) years following the resolution of the matter:
- a. Service provider contracts
 - b. Investment documents/records
 - c. Insurance policies, accident reports and claims
 - e. Lease agreements
 - f. Bonds
4. Financial Records: The following records must be kept for at least seven (7) years:
- a. Accounts payable
 - b. Credit Card Statements (and itemized receipts for each credit card charge)
 - c. Paid and cancelled checks
 - d. Expense reports
 - e. Bank records (including statements and bank deposit slips)
 - f. Receipts and cash disbursement journals
 - g. Vendor invoices
 - h. Vouchers for expenditures
 - i. Internal financial reports and statements
5. Request for Proposals: The following records must be kept for at least seven (7) years:
- a. Request for proposals
 - b. Responses of unsuccessful bidders to request for proposals (responses by successful bidders will be kept for at least ten years after the life of the contract pursuant to #3 above)
6. Trustee Election Records: The following records must be kept for at least seven (7) years:
- a. All records relating to the election of Trustees pursuant to § 169.450.1, R.S.Mo., such as form ballot and instructions, completed ballots, candidate biographies (other than the election

certification letters issued by Trustee Election Commissioner and the certifications issued by Circuit Clerk, which as noted above under #1, will be kept permanently)

7. Employee Document/Records:

- a. *FLSA and Missouri Unemployment Records* - The following documents/records must be kept for at least seven (7) years from the date of the last data entry for the employee.
 - i. Regular rate of pay and its calculation.
 - ii. Hours worked each workday and workweek, including substantiating documentation/records such as time cards, piecework records and earnings records.
 - iii. Straight-time earnings and overtime earnings.
 - iv. Wage attachment or garnishment records shall be retained for as long as the attachment or garnishment remains active and for at least an additional seven (7) years.
 - v. Inclusion and exclusions from wages (such as bonuses, withheld taxes, garnishments, etc.).
 - vi. Date of payment and the period covered.
- b. *Other Employee/Employment Records* - The following documents/records should be retained for at least seven (7) years following the employee's termination date:
 - i. Employee's names, addresses, social security number, date of birth, and occupation.
 - ii. Employee's date of hire and termination/separation.
 - iii. I-9s, W-2s, 1099s, and other government forms completed related to the employee's employment.
 - iv. Employee's time and payroll records.
 - v. Documentation/records related to resume/application materials, job descriptions, hiring and termination/separation, evaluations, compensation information, promotions, transfers, disciplinary matters, leave/comp time/FMLA.
 - vi. Any other documents not referenced above that is contained in an Employee's personnel file.
- c. Records including injury logs and workers' compensation records will be retained according to the "Contracts, Insurance, and Investments" section of this policy for ten (10) years following the resolution of the matter.
- d. Reimbursement payments to the Board and Staff members shall be retained for four (4) years.
- e. *Independent Contractor Records* – Documents/records which set out the basis or prove independent contractor status, contracts, written agreements, etc., must be retained for at least four (4) years following the independent contractor's departure date.

8. Other Records: Any documents/records not falling into any of the categories set out above must be kept for at least seven (7) years from the end of the last plan year when they were last in effect.

9. Exceptions: Exceptions to these rules and terms for retention may be granted only by the Executive Director or Board of Trustees.

Destruction of Documents/Records

Any documents/records relating to the Retirement System, which contain confidential information for the Retirement System, or any individually identifiable information or protected health information for the Retirement System's

Members, beneficiaries or dependents, such as names, addresses, telephone numbers, social security numbers, dates of birth, member numbers, etc. should be destroyed in such a way as to render the documents/records completely unreadable, unusable and unable to be restored, such as through shredding, burning, etc. for paper documents/records and clearing the data off electronic media in such a way that it cannot be recovered. It is never acceptable to dispose of documents/records containing protected health information, individually identifiable information or confidential information by disposing of the documents/records in dumpsters or other containers that are accessible by the public or other unauthorized persons.

Electronic media containing confidential information, protected health information, or individually identifiable information should not be sold or given to third parties or disposed of in a way where it is usable even if it is believed all such information has been removed from the electronic media. Oftentimes remnants of information originally stored on electronic media remain even after steps have been taken to erase the data; thus, once the Retirement System is done with the electronic media on which the protected health information, individually identifiable information or confidential information was stored, the electronic media should be destroyed in such a way it is rendered unusable.

Anytime a third party is used to destroy documents/records/electronic media, the Retirement System should obtain written certification from the third party that the documents/records/ electronic media were properly destroyed.

Examples of confidential information include legal documents/records, bank documents/records, etc.

Electronic Storage for Paper Documents/Records

Except as otherwise stated herein, certain paper documents/records can be converted to electronic format and the original paper version of the document/record destroyed. The following rules will be followed in relation to converting paper documents/records into electronic documents/records:

- a. The Retirement System shall at all times maintain a record keeping system that has reasonable controls to ensure the integrity, accuracy, authenticity and reliability of any electronic documents/records. The Retirement System's electronic documents/records must be maintained in a secure storage environment and must have back-ups created regularly. The Retirement System must have a quality assurance program that includes regular evaluations of the electronic recordkeeping system to ensure electronic documents/records continue to be safely stored and retrievable.
- b. The Retirement System must maintain proper controls to ensure paper documents/records that are scanned and electronically stored will not be altered from their original form. The Retirement System must maintain any paper copies of documents/records that cannot be clearly, accurately, or completely transferred to an electronic version. No employee may alter any scanned electronic document/record. All paper documents/records scanned and stored electronically, must remain unaltered.
- c. The Retirement System must maintain the electronic documents/records in a reasonable order and in a safe and accessible place and in such a way that they can be readily inspected or examined.
- d. The Retirement System must maintain the electronic documents/records in such a way that they are readily convertible into legible and readable paper copies.
- e. The Retirement System must ensure the electronic record keeping system is not subject to any restriction that would compromise any person's ability to comply with any reporting or disclosure requirement under the law.
- f. Once the originals of certain documents/records have been scanned and stored electronically, the originals can be destroyed except where the original documents/records have legal significance or inherent value or cannot be stored adequately in electronic format such as in the following instances:

- i. Notarized documents/records
- ii. Stock certificates
- iii. Original signed governance documents/records
- iv. Original signed real estate documents/records such as purchase and sale agreements and real estate deeds
- v. Documents/records that cannot be clearly, accurately or completely transferred to an electronic recordkeeping system.

POLICY AND PROCEDURES FOR LOCATING MISSING MEMBER DATA
AND MISSING MEMBERS/BENEFICIARIES

As Adopted August 21, 2025

Policy: It is the policy of the Public School Retirement System of the City of St. Louis (“PSRSSTL” or “Fund”) to ensure that where feasible, member records are complete and members/beneficiaries entitled to benefits receive same. The Board of Trustees for the PSRSSTL adopts the following procedures for locating missing members/beneficiaries.

Procedures: The following procedures have been created to locate missing member data and missing members/beneficiaries:

1. **Missing Member Data:** The Fund’s records pertaining to a member should contain, at a minimum, the member’s full name, address, telephone number (either cell or home), Social Security number, date of birth, marital status, and beneficiary designation. If a member is married, the Fund’s records should also contain the spouse’s full name. The Fund is entitled to rely on any data already contained in its files as accurate until such time as the Fund has actual knowledge that its records are inaccurate. In the event the Fund’s records do not contain the minimum data identified above, or it has come to the Fund’s attention that any item of said data is inaccurate, the Fund or its designated representative will, to the extent it is reasonable under the circumstances to do so, perform the following steps to locate the missing data:
 - a. The first step in locating missing member data will be to contact the member and request the missing data. If the Fund has a telephone number on file for the member, a call will be made to the member to obtain the missing data. If the member cannot be reached by telephone, a certified letter will be sent to the member requesting the missing data, to the extent an address is available in the Fund’s files and said action is reasonable given the circumstances.
 - b. If the data cannot be obtained from the member using step (a) above and it is reasonable in the circumstances to do so, reasonable attempts will be made to obtain a valid address or telephone number for the member by contacting one or more of the following parties (to the extent the parties are known to the Fund):
 - i. contributing employer(s) for whom the member worked;
 - ii. beneficiary named by the member on any beneficiary designation form filed with the Fund;
 - iii. the applicable local affiliate of the American Federation of Teachers;
 - iv. the Missouri Retired Teachers Association and Public School Personnel (MRTA); and
 - v. any other employee benefit plan in which the member/beneficiary participated that is permitted to release the information under applicable law.

If any of the above sources are reluctant to release the above information, the Fund may seek to have any of the above sources contact the member directly or forward a letter to the member from the Fund. If a potential telephone number for the member is obtained, then the Fund will attempt to

call the member to obtain the missing data. If the member cannot be reached by telephone, and a potential address is obtained for the member from one of the sources listed above, a certified letter will be sent to the member at the alternate address requesting the missing data to the extent it is reasonable under the circumstances to do so.

- c. If the data cannot be obtained using steps (a) or (b) above and it is reasonable given the circumstances to do so, reasonable attempts will be made to search for missing member data using Internet search tools that do not charge a fee. Such online services include Internet search engines, public record databases (such as those for licenses, mortgages and real estate taxes), obituaries and social media.
- d. If the data cannot be obtained using steps (a)-(c) above, the Fund or its designated representative will evaluate whether and to what extent additional search steps, including Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases and analogous services that involve charges, are appropriate and should be used in searching for the missing member data.

In evaluating whether and to what extent steps (a) thru (d) above should be performed, the Fund or its designated representative will take into consideration the type of data that is missing, the size of a member's account balance, the labor and cost involved in performing the applicable steps, as well as any other circumstances deemed relevant to the evaluation.

- 2. Missing Members/Beneficiaries: If a member/beneficiary who is entitled to receive a benefit payment cannot be located, the PSRSSTL will take the following steps to locate the member/beneficiary, but only to the extent each step is reasonable given the circumstances:

- a. The first step in locating a missing member/beneficiary will be to attempt to contact the member/beneficiary using the information in the Fund's files. If a telephone number is on file for the member/beneficiary, the Fund will attempt to call the member/beneficiary. If the member/beneficiary cannot be reached by telephone, a certified letter will be sent to the member/beneficiary notifying him/her that a benefit may be available from the Fund, to the extent an address is available in the Fund's files and said action is reasonable given the circumstances.
- b. If the member/beneficiary cannot be located using (a) above and it is reasonable given the circumstances to do so, the Fund will make reasonable attempts to obtain a valid address or telephone number for the member/beneficiary by contacting the following parties (to the extent the parties are known to the Fund):
 - i. contributing employer(s) for whom the member worked;
 - ii. beneficiary named by the member on any beneficiary designation form filed with the Fund;
 - iii. the applicable local affiliate of the American Federation of Teachers;
 - iv. the Missouri Retired Teachers Association and Public School Personnel (MRTA); and
 - v. any other employee benefit plan in which the member/beneficiary participated that is permitted to release the information under applicable law.

If any of the above sources are reluctant to release the above information, the Fund may seek to have any of the above sources contact the member/beneficiary directly or forward a letter to the member/beneficiary from the Fund. If a potential telephone number for the member/beneficiary is obtained, then the Fund will attempt to call the member/beneficiary to notify him/her that a benefit may be available from the Fund. If the member/beneficiary cannot be reached by telephone, and a potential address for the member/beneficiary is obtained from one of the sources listed above, a certified letter will be sent to the member/beneficiary at the alternate address notifying him/her that

a benefit may be available from the Fund, to the extent it is reasonable under the circumstances to do so.

- c. If the information cannot be obtained through (a) or (b) above and it is reasonable given the circumstances to do so, the Fund will make reasonable use of internet search tools that do not charge a fee to search for the missing member/beneficiary. Such online services include internet search engines, public record databases (such as those for licenses, mortgages and real estate taxes), obituaries and social media.
- d. If steps (a)-(c) above have been followed and the member/beneficiary could not be found, the Fund or its designee will evaluate whether and to what extent additional search steps, including internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases and analogous services that involve charges, are appropriate in searching for the missing member/beneficiary. In evaluating whether to use additional search steps to locate a missing member/beneficiary, the Fund or its designee will take into consideration the size of the member/beneficiary's account balance and the cost of further search efforts.

In evaluating whether and to what extent steps (a) thru (d) above should be performed, the trustees or their designated representative will take into consideration the size of a member/beneficiary's account balance, the labor and cost involved in performing the applicable steps, as well as any other circumstances deemed relevant to the evaluation.

If after taking steps (a)-(d) above, where appropriate under the circumstances, the member/beneficiary could not be found and the benefit payment is left unclaimed, and if no estate can be found to have been opened, then the accumulated contributions shall escheat to the State of Missouri in compliance with applicable law.

(Appendix A, Revised 10-24-22)

Public School Retirement System of the City of St. Louis
Expense and Contingency Reserve Policy

The amount to be held in the Expense and Contingency Reserve should be re-determined as of each January 1. The amount of the Reserve should consist of an expense reserve and an investment contingency reserve. Effective January 1, 1996, the Reserve will be determined as follows:

The expense portion should be the sum of

1. The estimated annual operating expenses for the ensuing year;
2. An amount equal to the liability for non-insurance supplements;
3. An amount equal to the liability for insurance supplements for those members participating in the program on January 1; and
4. The estimated amount of insurance supplements to be paid for members expected to retire and participate in the program during the ensuing year.

The investment contingency portion of the Reserve is intended to cover significant shortfalls in the rate of return, not small shortfalls. When a significant negative deviation occurs, the Reserve will be used to reduce the shortfall. If on the other hand, the assumed rate of return is exceeded by a significant amount, a portion of the excess return will be added to the investment contingency portion of the Reserve.

The Reserve to be adjusted as follows:

In the case of a shortfall

1. If the shortfall is less than 1%, no adjustment is made.
2. If the shortfall is between 1% and 2%, then the Reserve is reduced by one-half the amount of the shortfall.
3. If the shortfall exceeds 2%, then the Reserve is reduced an amount equal to the amount by which the rate of return falls short of the assumed rate of return less 1%. (For example, if the assumed rate is 6.5%, the actual rate is 4%, then the Reserve is reduced by amount equal to 1.5%. In this case, the rate of return after supplement from the Reserve would be equal to 5.5%.)
4. If the investment contingency portion of the Reserve is insufficient to meet the requirement in 2 or 3, then the reduction in the Reserve is equal to the investment contingency portion of the Reserve.

In case of excess return

1. If the rate of return does not exceed the assumed rate by at least 1%, then no addition is made to the Reserve.
2. If the rate of return exceeds the assumed rate by between 1% and 2%, then the Reserve is increased by one-half the amount of excess return.
3. If the rate of return exceeds the assumed rate by more than 2%, then the Reserve is increased by the amount by which the rate of return exceeds the assumed rate of return plus 1%.

The amount added to the reserve under 2 and 3 is subject to a maximum. The maximum amount of the investment contingency portion of the Reserve is equal to 5% of the market value of the Retirement Fund.

(Appendix B, Revised 10-19-09)