
Rules of
Retirement Systems
Division 10–The Public School Retirement
System of Missouri
Chapter 6–The Nonteacher School Employee
Retirement System of Missouri

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Title 16—RETIREMENT SYSTEMS

Division 10—The Public School Retirement System of Missouri

Chapter 6—The Nonteacher School Employee Retirement System of Missouri

16 CSR 10-6.010 Employment

PURPOSE: This rule provides for membership based on employment for persons not qualified for or entitled to membership in the public school retirement system, as authorized by sections 169.600 and 169.650, RSMo and for rights to retain membership under certain specified conditions.

(1) A person shall be considered to be regularly employed if s/he is employed in a position which continuously requires services for at least twenty (20) hours per week for the school term or for that part of the term which remains at the time of his/her employment, or for a specified period within the term; provided that a person employed for less than one (1) month shall not be considered regularly employed.

(2) The employer of any person eligible for membership in the retirement system under the provisions of section 169.600.15, RSMo shall furnish to the board of trustees a certified copy of a resolution adopted by the governing body responsible for the administration of the junior college district before any such person shall be considered eligible for membership. This resolution shall request the board of trustees to grant membership to the eligible employees of the district who are now or may become eligible for membership and shall indicate that the governing body will assume full responsibility for the withholding of contributions from the salaries paid to such persons and for the remittance of contributions to the retirement system (also see 16 CSR 10-2.010 and 16 CSR 10-3.010).

(3) Any person whose employment renders him/her eligible for membership in The Public School Retirement System of Missouri as of August 13, 1984, who on that date was a member of The Nonteacher School Employee Retirement System of Missouri because of that employment, may elect continued coverage under The Nonteacher School Employee Retirement System of Missouri as long as s/he remains in that same position with the same employer. The election must be made in writing and filed with the board of trustees prior to July 1, 1985, and will be irrevocable after that date. If the election is not made prior to July 1, 1985, the

person shall establish membership in and contribute to The Public School Retirement System of Missouri for services rendered in that position after June 30, 1985, as long as s/he remains eligible for membership under section 169.010(16), RSMo (see 16 CSR 10-2.010(8)(C) for the Public School Retirement System).

(4) Any person whose employment is full-time as defined by The Public School Retirement System of Missouri and is thus eligible as of July 1, 1995, for coverage under The Public School Retirement System of Missouri, and which employment prior to July 1, 1995, required membership in the Nonteacher School Employee Retirement System of Missouri, may make an irrevocable election for continued membership under the nonteacher school employee retirement system for the duration of employment in the same position with the same employer if the election is made in writing and filed with the board of trustees by September 30, 1995. If the election is not filed by that date, the employee shall participate as of July 1, 1995, in The Public School Retirement System of Missouri because of that employment as long as the person remains eligible for membership under section 169.010(16), RSMo.

*AUTHORITY: section 169.610, RSMo (1986). * Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Emergency amendment filed July 3, 1984, effective July 13, 1984, expired Nov. 10, 1984. Amended: Filed Jan. 17, 1986, effective June 12, 1986. Amended: Filed Aug. 4, 1994, effective Feb. 26, 1995.*

**Original authority 1965, amended 1977.*

16 CSR 10-6.020 Source of Funds

PURPOSE: This rule sets forth the method and deadline for payments by employers as provided by section 169.620, RSMo.

Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) All contributions withheld from salaries paid to employees, and determined to be due the retirement system, along with an equal contribution of the employer, shall be trans-

mitted to the board of trustees by check, bank draft or any negotiable instrument collectible at par through a bank in the state of Missouri made payable to The Nonteacher School Employee Retirement System of Missouri, and shall be accompanied with a transmittal form to be supplied by the board of trustees, showing in the proper order the information called for.

(2) An employer shall be considered delinquent in the remittance of contributions if s/he fails to transmit contributions to the board of trustees in accordance with these rules. If remittance of the full amount of both employee's and employer's contributions which are due the retirement system is not received on or before June 30, suit for recovery of the amount shall be instituted as provided for in section 169.620, RSMo (also see 16 CSR 10-2.010).

(3) Errors by employers in reporting of eligibility for membership, assigning of employees and in remitting of contributions will be corrected retroactively, provided the employer certifies that an error was made, provides evidence adequate to support the correction, and remits any balance due from the employer and employee. If the employer has overremitted, the amount of the overpayments will be refunded to the employer.

(4) Any refund of contributions remitted in error for a member or an employee shall include the total interest, if any, which was credited to those contributions by the retirement system. Any refund of matching employer contributions required in that instance shall be equal to the total amount paid to the member or employee, including interest. Any correcting remittance of contributions for a member shall include the total interest, if any, which would have been credited to those contributions by the retirement system had the contributions been remitted on a correct and timely basis. Any matching employer contribution remitted in that instance shall be equal to the total amount remitted for the member, including interest.

(5) For purposes of determining retirement contributions and benefits, salary rate includes medical insurance premiums (including dental and vision) paid by the employer on behalf of the member and payments made by the employer on behalf of the member to a self-funded medical benefits plan. Salary rate also includes payments made by the employer on behalf of the member to purchase an annuity, or fund a deferred compensation plan, in lieu of medical insurance or a self-funded medical benefits plan.

The employer shall withhold from the member's salary and remit to the system contributions on any such premiums and payments, along with matching employer contributions. Premiums and payments for prescription drug, life and other ancillary benefits determined separately from premiums and payments for general medical benefits are not part of salary rate. The payment reported for each member covered by a self-funded medical benefits plan shall be determined by the employer.

(6) Retirement contributions which are withheld from compensation paid to members after June 30, 1989, shall be deemed to have been picked up by the employer within the meaning of Section 414(h)(2) of the *Internal Revenue Code*. The contributions shall be withheld and credited to member accounts in accordance with the provisions of sections 169.600-169.710, RSMo but shall be considered to have been picked up by the employer solely for the purpose of sheltering the contributions from federal income tax until paid by the retirement system in the form of a refund or other benefits. The contributions shall be subject to refund or benefit claims by either the member or his/her surviving beneficiary in the same manner as any other contributions in the member's account with the retirement system. In reporting the contributions to the retirement system, every employer included within the retirement system shall certify that—1) the employee contributions were picked up by the employer in lieu of being paid directly to the employees and 2) the employees had no option to receive the contributions directly. The salary reported to the retirement system for each employee shall include the contributions withheld and the total contributions withheld and reported shall equal the percentage of that salary required under the then-prevailing contribution rate. In withholding and reporting federal income tax to taxing authorities, however, the employer shall exclude from taxable compensation the retirement contributions withheld. Nothing in this rule shall be construed in any way as affecting eligibility for, the amount of or the process of paying any refund or benefit payable to either the member or his/her surviving beneficiary.

(7) The terms "salary," "salary rate" and "compensation" are synonymous when used in regulations promulgated by the board, unless the context plainly requires a different meaning.

(A) For purposes of calculating contributions and benefits, those terms mean the regular remuneration earned by a member as an employee of any covered district during a school year, including (unless excluded by subsection (7)(B)):

1. Salary paid under the terms of the basic employment agreement;
2. Wages;
3. Payments for extra duties, whether or not related to the employee's regular position;
4. Overtime payments;
5. Career ladder payments made pursuant to sections 168.500 to 168.515, RSMo;
6. Supplemental salary paid in addition to workers' compensation;
7. Medical benefits as specified in section (5) of this rule;
8. Payment for annual leave, sick leave or similar paid leave actually used by the member;
9. Payment for leaves of absence if at least one hundred percent (100%) of previous contract rate;
10. Compensation on which taxation is deferred under *Internal Revenue Code* (IRC) section 401(k), 403(b), 457, 414(h)(2) or similar plans established by the employer under the IRC;
11. Salary reductions for purposes of a plan established by the employer under IRC section 125; and
12. Other similar payments that are earned by a member as an employee of any covered district during a school year.

(B) Salary, salary rate and compensation do not include:

1. Payments for services as an independent contractor, or any other payment that must be reported on IRS form 1099-MISC;
2. Payments made by an entity that is not a covered employer, and reported to the IRS under that entity's tax identification number;
3. Payments made for unused annual, sick or similar leave time, except as provided by section 104.601, RSMo;
4. Payment for leaves of absence if less than one hundred percent (100%) of previous contract rate, except as provided in section 169.595, RSMo;
5. Extraordinary payments such as bonuses, awards and retirement incentives;
6. Fringe benefits, except medical benefits as described in section (5) of this rule; and
7. Any other payment that is not part of the regular remuneration earned by a member as an employee of a covered district during a school year.

(C) While an individual is employed in a position covered by the system, compensation received from all employers participating in the system will be used to determine contributions and benefits. Compensation includes payments for services rendered during the regular school session, summer school or interim periods. Individuals may not have compensation covered by both Public School Retirement System (PSRS) and Nonteacher School Employee Retirement System (NTRS) for the same period; provided, individuals who contributed to both systems on compensation for the same period during the 1996-97 school year may elect in writing to continue that status. The election is irrevocable and must be made before September 30, 1997.

(D) The following payments resulting from employment disputes will be included in salary if the award or settlement document designates those payments as salary as defined in this section: back pay awards; payments in settlement of employment contract disputes; and payments in settlement of other employment disputes. The award or settlement may be the result of a court order, an order of an administrative tribunal or a negotiated written settlement. The payments must be allocated to the appropriate school years and corrected contributions made, including interest charges.

(E) In determining "final average salary" as defined in section 169.600, RSMo, the system will disregard any increase in compensation in excess of twenty percent (20%) from one year to the next in the final average salary period. This limit will not apply to increases due to bona fide changes in position or employer or increases required by state statute.

*AUTHORITY: section 169.610, RSMo (1994). * Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Amended: Filed June 20, 1978, effective Oct. 15, 1978. Amended: Filed Feb. 16, 1988, effective July 1, 1988. Amended: Filed April 18, 1989, effective July 1, 1989. Amended: Filed March 14, 1990, effective June 28, 1990. Amended: Filed Dec. 29, 1994, effective June 30, 1995. Amended: Filed April 24, 1996, effective Nov. 30, 1996. Amended: Filed Feb. 13, 1997, effective July 1, 1997. Amended: Filed July 8, 1997, effective Jan. 30, 1998.*

**Original authority 1965, amended 1977.*

Op. Atty. Gen. No. 224, Black (II-30-77). If an employer participates in The Missouri Nonteacher School Employee Retirement System, employer may not withhold employer's share of contribution for full-time employee whose salary is funded through the Comprehensive Employment and Training Act

of 1973 until the employee's retirement benefits vest. Also, the Retirement System is not authorized to refund to an employer the employer's contributions attributable to any employee who terminates his/her employment prior to the vesting of his/her benefits.



THE NON-TEACHER SCHOOL EMPLOYEE RETIREMENT SYSTEM OF MISSOURI

NTR3

TRANSMITTAL OF CONTRIBUTIONS

(Read Instructions on Reverse Side Before Completing This Form)

NEW EMPLOYEES [Instruction 2 (a)]

Membership Number*	Social Security Number	Name	Mons. of Position (Annual)	Remaining Months To Serve	Salary Rate [Complete (A) or (B)]				Monthly Amt of Board Pd. Ins.	Date Services Began
					(A) Hourly		(B) Monthly			
					Rate	Hrs. per.wk.	Rate	No. of Payments		

*If a new employee does not have a membership number, include a completed membership record.

TERMINATIONS PRIOR TO END OF SCHOOL YEAR [Instruction 2 (b)]

Membership Number	Name	Date of Termination	No. of Calendar Months Served	Total Sal. and Bd. Pd. Ins. on Which Cont. Were Based	Total Member Cont. Withheld and Remitted for Year*

*If not 4% of amount in "Total Salary" column, include letter explaining difference.

SALARY REDUCTIONS BECAUSE OF ABSENCE OR LEAVE OF ABSENCE [Instruction 2 (c)]

Membership Number	Name	Dates Docked	Amount of Reduction This Pay Period

SALARY RATE CHANGES [Instruction 2 (d)]

Membership Number	Name	Date of Change	Change From	Change To	Reason for Change

NAME CHANGES [Instruction 2 (e)]

Membership Number	Present Name*	Previous Name

*Include "Affidavit - Change of Name" if not previously filed

CERTIFICATION

I certify that contributions were withheld in accordance with the provisions of the law, and that the amounts due the Retirement System are transmitted herewith. I further certify that all new employees, terminations, absences without salary, and salary rate changes within the month are reported on this form.

Signature of Designated School Officer Date Address	Check Number Members' Contributions \$	Total Remitted \$
	Check Number Employer's Contribution \$	

For Month of	Year	Name and Number of District	County
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REV 6/88

THE NON-TEACHER SCHOOL EMPLOYEE RETIREMENT SYSTEM OF MISSOURI

NTR3

TRANSMITTAL OF CONTRIBUTIONS

INSTRUCTIONS FOR WITHHOLDING AND REMITTING CONTRIBUTIONS

1. Contributions at the rate of 4% must be withheld from the total salaries of persons regularly employed to serve at least 20 hours per week in positions not covered by The Public School Retirement System of Missouri.
2. "Total salary" for contribution purposes must include (1) salary paid for extra services during regular employment; (2) salary paid for secondary services, such as to a custodian for driving a school bus; and (3) Board-paid employee insurance premiums. If salary is reduced because of absence, contributions should be withheld on the reduced salary. Any annual salary less than \$1200 should be considered as \$1200 for contribution purposes.
3. The monthly remittance should include the total contributions withheld from employees' salaries and an equal contribution of the employer. Remittances should be made payable to The Non-Teacher School Employee Retirement System of Missouri, and must be collectible without charges. Magnetically-encoded bank routing symbols must appear on all remittances.
4. If an error is made in a monthly remittance, an adjustment should be made in the remittance for the following month.
5. The remittance for the last month of the fiscal year should include the amount needed to make the total remittances for the fiscal year equal to 4% of the salaries paid.

INSTRUCTIONS FOR COMPLETING AND FILING THIS REPORT

1. Prepare the report in duplicate.
2. Complete the sections on the reverse side as follows: (if additional space is needed please attach a separate listing)
 - (a) **NEW EMPLOYEES** - Report any new qualified employees hired during the month. List the membership number (if new member, send a completed membership record), the social security number, the full name, the number of months in the position for which hired (9, 10, 11 or 12 months), and the remaining months to serve in the fiscal year from the date of hire. Under the "Salary Rate" heading, if the employee is hired on an hourly basis, list under "(A)" the hourly salary rate and the hours per week for which the employee was hired; or if the employee is hired on a monthly basis, list under "(B)" the monthly salary rate and the number of payments the employee will receive in the fiscal year. List in the last column the date qualified services began.
 - (b) **TERMINATIONS PRIOR TO END OF SCHOOL YEAR** - Enter the requested information for terminations during the month which were before the close of the school year. Contributions in the last column should be 4% of the amount reported in the "Total Salary" column. Do not report as terminated those on temporary layoff or leave of absence. Report such individuals in the "Absences" section immediately following.
 - (c) **SALARY REDUCTIONS BECAUSE OF ABSENCE OR LEAVE OF ABSENCE** - Report dates docked for each such employee and the amount of salary reduction. The dates absent are needed to determine in which calendar month the absences occurred.
 - (d) **SALARY RATE CHANGES** - Report hourly or monthly salary rate changes because of change in regular number of hours or duties.
 - (e) **NAME CHANGES** - Report any change in an employee's name and send an "Affidavit-Change of Name" if not previously filed by the employee.
3. Complete the Certification with the information requested, and with the signature of the Board-designated person responsible for the remittance of contributions.
4. Send the original copy of the report, with remittance, to The Non-Teacher School Employee Retirement System, P.O. Box 268, Jefferson City, MO 65102, within 10 days after the end of a calendar month in which any salaries are paid. The remittance for June must be sent by June 30, and must include all contributions due but not previously remitted for the school year.

REV 6/88

16 CSR 10-6.030 Management of Funds

PURPOSE: This rule provides for the security of funds in the depository bank and the investment of the funds as authorized in sections 169.630 and 169.640, RSMo.

(1) The system shall name a depository financial institution(s) in which all moneys received by the retirement office must be deposited and from which all disbursements of system funds must be made.

(2) All system funds held by this financial institution(s) must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by collateral held by a third party in the name of the system as provided by section 169.640, RSMo which shall be available to the system in the event of default by the financial institution(s).

(3) The executive director or his/her designated employee(s) shall determine and maintain appropriate balance of funds to be held in the financial institution(s) to satisfy the current obligations of the system.

(4) The portion of the balance held in the financial institution(s) but not needed for immediate settlement of system payments may be invested in collateralized investments.

(5) The system shall name a custodial bank to facilitate the investment of funds and safekeeping of securities.

(6) Funds held by the depository financial institution(s) in excess of the appropriate balance shall be transferred to the system's custodial bank and shall be distributed to the system's investment managers to be invested in accordance with the asset allocation policy of the board of trustees.

(7) The board of trustees shall determine annually, on or before June 30, the rate of interest which shall be credited to members' accounts at the end of the fiscal year.

AUTHORITY: section 169.610, RSMo (1994). * Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Amended: Filed Jan. 8, 1985, effective May 11, 1985. Amended: Filed Aug. 29, 1997, effective Feb. 28, 1998.

*Original authority 1965, amended 1977.

16 CSR 10-6.040 Membership Service Credit

PURPOSE: This rule sets forth the manner in which credit is to be earned or purchased in

accordance with the provisions of sections 105.985, 169.595, 169.600, 169.620 and 169.650, RSMo.

(1) Membership service credit for regularly employed members will be calculated based on the following ratio beginning July 1, 1997: The actual compensation received by the member for the school year divided by the minimum annual compensation expected to be paid for that position for a complete school year, as reflected on the beginning of the year report from the employer (or as later amended). Both the numerator and denominator will be determined without regard to the medical benefits that are otherwise included in compensation. Credit will be calculated to the nearest tenth of a year. Not more than one (1) year of membership service credit will be allowed for any school year.

(2) When a member terminates membership in the retirement system before the end of a school year, the maximum credit that may be received for that school year will be calculated based on the portion of the school year completed before termination of membership.

(3) Any credit earned for a period of leave under section 169.595, RSMo shall be secured only during the leave period; provided that if all contributions due for such credit are received within the school year in which the leave occurred, the credit shall be allowable.

(4) Remittance of contributions due under section 169.595, RSMo shall be made only by the employer and no such remittance shall be accepted unless it includes both the employee and employer contributions. The contributions shall be remitted in the same manner as are regular contributions and shall be accompanied by a statement on a form provided by the retirement system certifying the name of the member for whom the contributions are being remitted and that the member was either on sick leave in accordance with the sick leave provisions of the employer or was under Workers' Compensation during the period of leave.

(5) A member may elect to purchase creditable service under section 105.985, RSMo only if the member had previously acquired creditable service in a retirement plan defined in that section for the employment to which the election applies; except that if the service did not meet the membership requirements of the employer's retirement plan or the employer had no retirement plan at the time the service was rendered, but the service would otherwise have met the membership require-

ments of this system as in effect when the election is made, the member shall be eligible to purchase this creditable service. The creditable service allowable shall be determined in accordance with the provision of section 105.985, RSMo and the rules of the board of trustees.

(6) A member who does not complete payment in full on an application to purchase creditable service under section 105.985, RSMo within the time limit prescribed by law may reapply to purchase creditable service for that same period of employment. The member may apply within the limits of the law to purchase creditable service for any other period of employment for which application to purchase creditable service was not previously made.

AUTHORITY: section 169.610, RSMo (1994). * Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. Emergency amendment filed June 20, 1988, effective July 1, 1988, expired Oct. 28, 1988. Amended: Filed June 20, 1988, effective Sept. 29, 1988. Emergency amendment filed Aug. 24, 1988, effective Sept. 3, 1988, expired Jan. 1, 1989. Amended: Filed Aug. 24, 1988, effective Dec. 29, 1988. Amended: Filed Sept. 25, 1991, effective March 9, 1992. Amended: Filed Dec. 22, 1993, effective July 10, 1994. Amended: Filed June 14, 1996, effective Dec. 30, 1996. Amended: Filed Oct. 24, 1996, effective July 1, 1997.

*Original authority 1965, amended 1977.

The Non-Teacher School Employee Retirement System of Missouri
SPECIAL CERTIFICATION

For Employees Electing to Acquire Leave Credit
Under Section 169.595 RSMO Supp. 1988

(See instructions for completion on reverse side)

(1)	(2)	(3)		(4)	(5)	(6)	(7)
Membership Number	Name	Leave Type (check one)		No. of Leave Days For Which Contributions Are Remitted	Salary Rate (hourly, weekly or monthly)	Salary on Which Leave Contributions Were Based	Total Cont. (memb. + dist.) on Acquired Leave
		Sick Lv.	*Wkrs. Comp.				

*If the district is paying a portion of the member's earnings while on leave and Workers' Compensation is paying the remainder, indicate the amount paid by each.

I certify that the employees named above were on approved leave under this school district's sick leave provision or under Workers' Compensation during the month of _____, 19____; that they were on leave from positions which qualify them for membership in The Non-Teacher School Employee Retirement System of Missouri; that the above information is taken from the official records of this school district; and that to my best knowledge and belief none of those named attained age 65 during the month to which this certification applies.

 Signature of Designated School Officer

 Date

 School District

 County

*Instructions for Completion of Special Certification
(See form on reverse side)*

HB 1100 which became law August 13, 1988, permits a certified employee of a school district to obtain service credit while on leave under the district's sick leave policy or under Workers' Compensation, if either partial salary or no salary is paid during the leave. To obtain the credit, the member must contribute through the district on the salary which would have been paid had the employee been on active status. Those contributions must be matched by the employer and sent to the retirement office as a part of the regular monthly remittance of contributions for other qualified employees.

Complete the certification form as follows:

- Columns (1) and (2): Enter on a separate line the membership number and name of each eligible employee electing to contribute on unpaid sick leave or Workers' Compensation credit in the month.
- Column (3): Mark an "X" in the appropriate space to indicate whether the employee is on district-approved sick leave or is under Workers' Compensation. Only one space should be marked.
- Column (4): Enter the number of leave days for which contributions are being remitted. This number should not exceed the "Number of Days Docked" reported for the member under "Salary Reductions Because of Absence" on the corresponding monthly transmittal.
- Column (5): Indicate the salary rate (hourly, weekly or monthly) at which the individual would have been paid for the period of time being acquired.
- Column (6): Indicate the salary for the number of days entered in Column (4). This figure should not exceed the "Total Amount of Reduction" figure listed for the member under "Salary Reductions Because of Absence" on the monthly transmittal.
- Column (7): Show the total contributions remitted for the leave days acquired. (Member 4% and district portion 4%)
- Certification Statement: Complete this section with the signature of designated school officer, the date, the school district and the county. The completed statement will certify to the retirement office that the named employee is eligible to obtain leave credit as permitted under the law and the rules of the Board of Trustees.
- Annual Report listing: Special Certification credit acquisitions must be listed on a separate line on the Annual Report. The first line must show district paid salary plus insurance and contributions on that amount. The second line must indicate the salary and contributions associated with the acquired credit. For tax information we must track the employer pickup salary and contributions and the special certification salary which is not for salary earned and is remitted on by the member with already taxed dollars.

The completed certification should be attached to the monthly transmittal for each month in which contributions are remitted for employees electing to acquire leave credit not otherwise allowable prior to August 13, 1988.

DO NOT USE THIS FORM IF THE EMPLOYEE ON LEAVE IS RECEIVING FULL SALARY.