Rules of Retirement Systems
Division 10—The Public School Retirement System of Missouri
Chapter 3—Funds of Retirement System

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Title 16—RETIREDNT SYSTEMS
Division 10—The Public School Retirement System of Missouri
Chapter 3—Funds of Retirement System

16 CSR 10-3.010 Payment of Funds to the Retirement System

PURPOSE: This rule sets forth the procedures for withholding of contributions by employers, transmittal, reporting and determination of the contribution rate as provided by section 169.030, RSMo.

(1) After implementation in the district, each employer reporting to the Public School Retirement System of Missouri shall report required data on employees and all contributions to the retirement system using the Electronic Monthly Employer Reporting System (EMERS). State agencies reporting non-contributory employees shall report on a modified EMERS format.

(2) Employers shall use EMERS to report salary payments made to all employees, contributions withheld from employees included in the retirement system, and supporting information required by the board of trustees. Transmission of data must be sent to the board of trustees no later than ten (10) working days after the last day of each calendar month of the school year in which salaries are paid.

(3) Employers of persons included in the retirement system shall withhold from each salary payment issued to such persons during the school year in which the services are rendered an amount which is the percent of salary rate required under the then-prevailing contribution rate. In withholding contributions, employers shall indicate on transmittal forms the names and salary rates of members who assume employment at any later date in the school year; and employers shall transmit to the board of trustees, not later than ten (10) days after the last day of each calendar month of the school year, twice the amount withheld during the month.

(4) All contributions withheld from salaries paid to members along with an equal contribution of the employer shall be transmitted to the board of trustees by check, bank draft, electronic funds transfer, or any negotiable instrument collectible at par through a bank in the state of Missouri, made payable to The Public School Retirement System of Missouri.

(5) All contributions withheld from salaries paid to members along with an equal contribution of the employer shall be transmitted to the board of trustees by check, bank draft, electronic funds transfer, or any negotiable instrument collectible at par through a bank in the state of Missouri, made payable to The Public School Retirement System of Missouri.

(6) If remittance of the full amount of both employee's and employer's contributions which are due the retirement system is not received in accordance with these regulations, it shall be considered a failure or refusal by the employer to transmit such amount and suit for recovery of the amount shall be instituted as provided for in section 169.030, RSMo.

(7) Prior to and during the transition to the Electronic Monthly Employer Reporting System, employers not yet connected to EMERS shall—

(A) Forward to the board of trustees as early in the school year as possible, and not later than fifteen (15) days after the school term begins, on a form provided by the board of trustees or on a form approved by the board of trustees, a list of the names and annual salary rates of members of the system employed to serve during the school year; and employers shall indicate on transmittal forms the names and salary rates of members who assume employment at any later date in the school year;

(B) File with the board of trustees not later than the thirtieth day of June a report showing the contributions withheld from salary payments to each employee and transmitted to the board of trustees in the fiscal year and the total amount of all contributions transmitted to the board of trustees in the fiscal year; and

(C) Accompany each monthly payment with a transmittal form to be supplied by the board of trustees, showing in the proper order the information called for thereon.

(8) The board of trustees, on or before the first day of June of each year, shall determine the rate of contribution which shall be in effect for the next fiscal year.

(9) 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, salary rate, or compensation as defined in section 169.010, RSMo, shall not be reduced due to premium rebates or refunds received by the employer as a result of the implementation of the “Patient Protection and Affordable Care Act,” Public Law 111-148. 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.

(10) 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 169.010–169.140, 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 withholdings 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.
(11) 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 (11)(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 (9) 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 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 169.055 or 169.595, RSMo;  
5. Extraordinary payments such as bonuses, awards, and retirement incentives;  
6. Fringe benefits, except medical benefits as described in section (9) 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 Public Education Employee Retirement System (PEERS) 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 169.010, 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, increases required by state statute, or district wide salary schedule adjustments for previously unrecognized education related service.


of assets of exempt pension and profit sharing trusts and individual retirement accounts, custodial accounts, retirement income accounts, governmental plans, and tax-exempt trusts under the Internal Revenue Code of 1986 and Rev. Rule 81-100, as modified by Rev. Rules 2004-67, 2008-40, and 2011-1. The assets so invested shall be subject to all the provisions of the instruments establishing and governing such funds. Those instruments of group trusts, including any subsequent amendments, are hereby incorporated by reference and made a part of the system established by sections 169.010 to 169.141, RSMo, to the extent of the system’s investment therein.
