

FIRST REGULAR SESSION

# HOUSE BILL NO. 548

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES O'TOOLE AND GAMBARO (Co-sponsors).

Read 1<sup>st</sup> time January 25, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

1446L.011

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### AN ACT

To repeal sections 86.200, 86.207, 86.213, 86.233, 86.237, 86.250, 86.251, 86.252, 86.253, 86.254, 86.256, 86.257, 86.260, 86.263, 86.267, 86.288, 86.290, 86.292, 86.300, 86.320, 86.340, 86.353, 86.360 and 86.365, RSMo 2000, relating to certain police relief and retirement systems, and to enact in lieu thereof twenty-four new sections relating to the same subject.

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

Section A. Sections 86.200, 86.207, 86.213, 86.233, 86.237, 86.250, 86.251, 86.252, 86.253, 86.254, 86.256, 86.257, 86.260, 86.263, 86.267, 86.288, 86.290, 86.292, 86.300, 86.320, 86.340, 86.353, 86.360 and 86.365, RSMo 2000, are repealed and twenty-four new sections enacted in lieu thereof, to be known as sections 86.200, 86.207, 86.213, 86.233, 86.237, 86.250, 86.251, 86.252, 86.253, 86.254, 86.256, 86.257, 86.260, 86.263, 86.267, 86.288, 86.290, 86.292, 86.300, 86.320, 86.340, 86.353, 86.360 and 86.365, to read as follows:

86.200. The following words and phrases as used in sections 86.200 to 86.366, unless a different meaning is plainly required by the context, shall have the following meanings:

(1) "Accumulated contributions", the sum of all [amounts] **mandatory contributions** deducted from the compensation of a member and credited to the member's individual account, together with members' interest thereon **but excluding any mandatory contributions deposited in a member's DROP account in accordance with subsection 4 of section 86.251;**

(2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of mortality tables and interest assumptions adopted by the board of trustees;

(3) "Average final compensation",

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

10           **(a) With respect to a member who earns no creditable service on or after October**  
11 **1, 2001, the average earnable compensation of the member during the member's last three**  
12 **years of creditable service as a police officer, or if the member has had less than three years**  
13 **of creditable service, the average earnable compensation of the member's entire period of**  
14 **creditable service;**

15           **(b) With respect to a member who is not participating in the DROP pursuant to**  
16 **section 86.251 on October 1, 2001, who did not participate in the DROP at any time before**  
17 **such date, and who earns any creditable service on or after October 1, 2001, the average**  
18 **earnable compensation of the member during the member's last [three years] full year of**  
19 **creditable service as a policeman, or if the member has had less than three years of creditable**  
20 **service, then the average earnable compensation of the member's entire period of creditable**  
21 **service;**

22           **(c) With respect to a member who is participating in the DROP pursuant to section**  
23 **86.251 on October 1, 2001, or whose participation in DROP ended before such date, who**  
24 **returns to active participation in the system pursuant to section 86.251, and who terminates**  
25 **employment as a police officer for reasons other than death or disability before earning at**  
26 **least two years of creditable service after such return, the portion of the member's benefit**  
27 **attributable to creditable service earned before DROP entry shall be determined using**  
28 **average final compensation as defined in subparagraph (a) of this subdivision; and the**  
29 **portion of the member's benefit attributable to creditable service earned after return to**  
30 **active participation in the system shall be determined using average final compensation as**  
31 **defined in subparagraph (b) of this subdivision;**

32           **(d) With respect to a member who is participating in the DROP pursuant to section**  
33 **86.251 on October 1, 2001, or whose participation in the DROP ended before such date,**  
34 **who returns to active participation in the system pursuant to section 86.251, and who**  
35 **terminates employment as a police officer after earning at least two years of creditable**  
36 **service after such return, the member's benefit attributable to all of such member's**  
37 **creditable service shall be determined using the member's average final compensation as**  
38 **defined in subparagraph (b) of this subdivision;**

39           **(e) With respect to a member who is participating in the DROP pursuant to section**  
40 **86.251 on October 1, 2001, or whose participation in DROP ended before such date, who**  
41 **returns to active participation in the system pursuant to section 86.251, and whose**  
42 **employment as a police officer terminates due to death or disability after such return, the**  
43 **member's benefit attributable to all of such member's creditable service shall be**  
44 **determined using the member's average final compensation as defined in subparagraph**  
45 **(b) of this subdivision; and**

46           **(f) If a member who is described in subparagraph (c) or (e) of this subdivision**  
47 **completes less than one full year of creditable service after returning to active participation**  
48 **in the system, the member's earnable compensation for the period immediately prior to**  
49 **DROP entry shall be added to the member's earnable compensation after the member's**  
50 **return to active participation for purposes of determining such member's average final**  
51 **compensation for his or her last year of creditable service.**

52           (4) "Beneficiary", any person in receipt of a retirement allowance or other benefit;

53           (5) "Board of police commissioners", any board of police commissioners, police  
54 commissioners and any other officials or boards now or hereafter authorized by law to employ  
55 and manage a permanent police force in such cities;

56           (6) "Board of trustees", the board provided in sections 86.200 to 86.366 to administer  
57 the retirement system;

58           (7) "Creditable service", prior service plus membership service as provided in sections  
59 86.200 to 86.366;

60           (8) "DROP", the deferred retirement option plan provided for in section 86.251;

61           (9) "Earnable compensation", the annual salary which a member would earn during one  
62 year on the basis of the member's rank or position as specified in the applicable salary matrix in  
63 section 84.160, RSMo, plus additional compensation for academic work as provided in  
64 subsection 9 of section 84.160, RSMo, plus shift differential as provided in subdivision (4) of  
65 subsection 10 of section 84.160, RSMo. Such amount shall be determined without regard to the  
66 member's deferrals to a deferred compensation plan pursuant to Section 457 of the Internal  
67 Revenue Code or to a cafeteria plan pursuant to Section 125 of the Internal Revenue Code.  
68 Earnable compensation shall not include a member's additional compensation for overtime,  
69 standby time, court time, nonuniform time or unused vacation time. Notwithstanding the  
70 foregoing, the earnable compensation taken into account under the plan established pursuant to  
71 sections 86.200 to 86.366 with respect to a member who is a noneligible participant, as defined  
72 in this subdivision, for any plan year beginning on or after October 1, 1996, shall not exceed the  
73 amount of compensation that may be taken into account under Section 401(a)(17) of the Internal  
74 Revenue Code, as adjusted for increases in the cost of living, for such plan year. [If a member  
75 who is a noneligible participant is a highly compensated employee, as defined in Section 414(q)  
76 of the Internal Revenue Code, and one of the ten persons paid the highest compensation by the  
77 employer for the plan year, the aggregate earnable compensation of the member's family  
78 members who are members, including only the member's spouse and lineal descendants who  
79 have not reached the age of nineteen years, shall not exceed the compensation limit of Section  
80 401(a)(17) of the Internal Revenue Code.] For purposes of this subdivision, a "noneligible  
81 participant" is an individual who first becomes a member on or after the first day of the first plan

82 year beginning after the earlier of:

83 (a) The last day of the plan year that includes August 28, 1995; or

84 (b) December 31, 1995;

85 (10) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as amended;

86 (11) **"Mandatory contributions", the contributions required to be deducted from**  
87 **the salary of each member who is not participating in DROP in accordance with section**  
88 **86.320;**

89 (12) "Medical board", the board of physicians provided for in section 86.237;

90 [(12)] (13) "Member", a member of the retirement system as defined by sections 86.200  
91 to 86.366;

92 (14) **"Members' interest", interest on accumulated contributions at such rate as**  
93 **may be set from time to time by the board of trustees;**

94 [(13)] (15) "Membership service", service as a policeman rendered since last becoming  
95 a member, except in the case of a member who has served in the armed forces of the United  
96 States and has subsequently been reinstated as a policeman, in which case "membership service"  
97 means service as a policeman rendered since last becoming a member prior to entering such  
98 armed service;

99 [(14)] (16) "Plan year" or "limitation year", the twelve consecutive-month period  
100 beginning each October first and ending each September thirtieth;

101 [(15)] (17) "Policeman" or "police officer", any member of the police force of such cities  
102 who holds a rank in such police force for which the annual salary is listed in section 84.160,  
103 RSMo;

104 [(16)] (18) "Prior service", all service as a policeman rendered prior to the date the  
105 system becomes operative or prior to membership service which is creditable in accordance with  
106 the provisions of sections 86.200 to 86.366;

107 [(17)] "Members' interest", interest on accumulated contributions at such rate as may be  
108 set from time to time by the board of trustees;

109 (18)] (19) "Retirement allowance", annual payments for life as provided by sections  
110 86.200 to 86.366 which shall be payable in equal monthly installments or any benefits in lieu  
111 thereof granted to a member upon **termination of employment as a police officer and actual**  
112 **retirement;**

113 [(19)] (20) "Retirement system", the police retirement system of the cities as defined in  
114 sections 86.200 to 86.366;

115 [(20)] (21) "Surviving spouse", the surviving spouse of a member who was the member's  
116 spouse at the time of the member's death;

117 (22) **"Voluntary contributions", the contributions that a member who is**

118 **participating in DROP elects to have deducted from such member's salary in accordance**  
119 **with section 86.251.**

86.207. 1. All persons who become policemen and all policemen who enter or reenter  
2 the service of the city after the first day of October, 1957, become members as a condition of  
3 their employment and shall receive no pensions or retirement allowance from any other pension  
4 or retirement system supported wholly or in part by the city or the state of Missouri, nor shall  
5 they be required to make contributions under any other pension or retirement system of the city  
6 or the state of Missouri, anything to the contrary notwithstanding.

7 2. If any member ceases to be in service for more than one year unless the member has  
8 attained the age of fifty-five or has twenty years or more of creditable service, or if the member  
9 withdraws the member's accumulated contributions or if the member receives benefits under the  
10 retirement system or dies, the member thereupon ceases to be a member; except in the case of  
11 a member who has served in the armed forces of the United States and has subsequently been  
12 reinstated as a policeman. A member who **has terminated employment as a police officer, has**  
13 **actually retired and** is receiving retirement benefits under the system shall be considered a  
14 retired member.

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

4 (1) The president of the board of police commissioners of the city, ex officio. If the  
5 president is absent from any meeting of the board of trustees for any cause whatsoever, the  
6 president may be represented by any member of the board of police commissioners who in such  
7 case shall have full power to act as a member of the board of trustees;

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

12 (3) Three members to be appointed by the mayor of the city to serve for a term of two  
13 years;

14 (4) Three members to be elected by the members of the retirement system of the city for  
15 a term of three years; provided, however, that the term of office of the first three members so  
16 elected shall begin immediately upon their election and one such member's term shall expire one  
17 year from the date the retirement system becomes operative, another such member's term shall  
18 expire two years from the date the retirement system becomes operative and the other such  
19 member's term shall expire three years from the date the retirement system becomes operative;  
20 provided, further, that such members shall be members of the system and hold office only while

21 members of the system;

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

27 2. Any member elected chairman of the board of trustees may serve a total of four years  
28 in that capacity which shall be limited to no more than two consecutive terms.

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

86.233. 1. The board of trustees shall keep in convenient form such data as shall be  
2 necessary for actuarial valuation of the [various funds of the] retirement system and for checking  
3 the experience of the system.

4 2. The board of trustees shall keep a record of all its proceedings which shall be open to  
5 public inspection. It shall publish annually a report showing the fiscal transactions of the  
6 retirement system for the preceding fiscal year, the amount of the accumulated cash and  
7 securities of the system, and the last balance sheet showing the financial condition of the system  
8 by means of an actuarial valuation of the assets and liabilities of the retirement system.

86.237. 1. The [city counselor of the said cities shall be the legal adviser of the] board  
2 of trustees **is authorized to use the city counselor of the specified cities as a legal advisor to**  
3 **the board of trustees and may also appoint an attorney at law or firm of attorneys at law**  
4 **to serve as the legal advisor and consultant to the board of trustees and to represent the**  
5 **system and the board of trustees in all legal proceedings.**

6 2. The board of trustees shall designate a medical board to be composed of three  
7 physicians who shall arrange for and pass upon all medical examinations required under the  
8 provisions of sections 86.200 to 86.366, shall investigate all essential statements and certificates  
9 made by or on behalf of a member in connection with an application for disability retirement and  
10 shall report in writing to the board of trustees its conclusions and recommendations upon all the  
11 matters referred to it. In addition, the board of trustees may appoint a fourth physician to act as  
12 an administrator of the medical board who may, with the consent of the board of trustees, select  
13 the members of the medical board and coordinate any reports to the board of trustees.

86.250. Retirement of a member on a service retirement allowance shall be made by the  
2 board of trustees as follows:

3 (1) Any member may **terminate employment as a police officer and actually** retire

4 after completing twenty or more years of creditable service or attaining the age of fifty-five upon  
5 the member's written application to the board of trustees setting forth at what time, but not more  
6 than ninety days subsequent to the execution and filing of the application, the member desires  
7 to be retired;

8 (2) Any member in service who has attained the age of sixty-five shall be **terminated**  
9 **as a police officer and actually** retired forthwith provided that upon request of the board of  
10 police commissioners the board of trustees may permit such member to remain in service for  
11 periods of not to exceed one year from the date of the last request from the board of police  
12 commissioners.

86.251. 1. The board of trustees may develop and establish a deferred retirement option  
2 plan (DROP) in which members **who are** eligible for retirement **but who have not terminated**  
3 **employment as police officers and who have not actually retired** may participate. The DROP  
4 shall be designed to allow members with at least twenty years of creditable service or who have  
5 attained the age of fifty-five who have achieved eligibility for retirement and are entitled to a  
6 service retirement allowance and other benefits to **postpone actual retirement**, continue active  
7 employment and accumulate a deferred receipt of the service retirement allowance. No one shall  
8 participate in the DROP for a period exceeding five years.

9 2. Any member who has at least twenty years of creditable service or has attained the age  
10 of fifty-five may elect in writing before retirement to participate in the DROP. A member  
11 electing to participate in the DROP shall **postpone actual retirement, shall** continue in active  
12 employment and shall not receive any direct retirement allowance payments or benefits during  
13 the period of participation.

14 3. Upon the start of the participation in the DROP, the member shall cease to make any  
15 **mandatory** contributions to the system. **If a member is participating in DROP or elects to**  
16 **enter DROP on or after the date the Internal Revenue Service approves the provisions of**  
17 **this subsection, the member's mandatory contributions made prior to the member's DROP**  
18 **participation shall be deposited in the DROP account established for the member pursuant**  
19 **to this subsection within a reasonable period after the date of Internal Revenue Service**  
20 **approval of this subsection or, if later, the date the member begins to participate in DROP.**  
21 No contribution shall be required by the city into the DROP account. During the period of  
22 participation in the DROP, the amount that the member would have received as a service  
23 retirement allowance if the member had **actually retired instead of entering DROP** shall be  
24 deposited monthly in the member's DROP account which shall be established in the member's  
25 name by the board of trustees. The member's service retirement allowance shall not be adjusted  
26 for any cost-of-living increases for any period prior to the member's **termination of employment**  
27 **as a police officer and actual** retirement. Cost-of-living increases, if any, for any period

28 following the member's **termination of employment as a police officer and actual** retirement  
29 shall be applied only to monthly service retirement payments made following **termination of**  
30 **employment as a police officer and actual** retirement. Service earned during the period of  
31 participation in the DROP shall not be creditable service and shall not be counted in  
32 determination of any service retirement allowance or surviving spouse's or dependents' benefits.  
33 **Compensation paid during the period of participation in the DROP shall not be earnable**  
34 **compensation and shall not be counted in the determination of any service retirement**  
35 **allowance or surviving spouse's or dependent's benefits. The member's service retirement**  
36 **allowance shall be frozen as of the date the member enters DROP. Except as specifically**  
37 **provided in sections 86.200 to 86.366, the member's frozen service retirement allowance**  
38 **shall not increase while the member is participating in DROP or after the member's**  
39 **participation in DROP ends, and the member shall not share in any benefit improvement**  
40 **that is enacted or that becomes effective while such member is participating in the DROP.**

41 4. [The member's contributions to the retirement system shall be paid to the member or  
42 the member's surviving spouse pursuant to sections 86.253 and 86.288 within sixty days after  
43 the member's date of retirement and not the date of the conclusion of the member's participation  
44 in the DROP, unless such dates are the same.] **A member who elects to enter DROP or who**  
45 **is participating in DROP at any time on or after the date the Internal Revenue Service**  
46 **approves this subsection may elect to have voluntary contributions equal to seven percent**  
47 **of the member's compensation deducted from the member's salary and deposited in the**  
48 **member's DROP account. The member can elect to make, revoke or reinstate voluntary**  
49 **contributions to the DROP account during the member's DROP participation in**  
50 **accordance with procedures established by the board of trustees. The board of trustees**  
51 **shall notify the board of police commissioners of each member's election to make, revoke**  
52 **or reinstate voluntary contributions, and the board of police commissioners shall carry out**  
53 **such election. Any election to make voluntary contributions to the DROP account shall be**  
54 **automatically revoked when the member's participation in DROP ends.**

55 5. A member shall cease participation in the DROP upon the [earlier of the] termination  
56 of the member's employment as a police officer **and actual retirement**, or at the end of the  
57 five-year period commencing on the first day of the **member's** participation in the DROP, **or as**  
58 **of the effective date, but in no event prior to October 1, 2001, of the member's election to**  
59 **return to active participation in the system, whichever occurs first. A member's election**  
60 **to return to active participation in the system before the end of the five-year period**  
61 **commencing on the first day of participation in the DROP shall be made and shall become**  
62 **effective in accordance with procedures established by the board of trustees, but in no**  
63 **event prior to October 1, 2001. Upon the member's termination of employment as a police**



64 **officer and actual retirement**, the member shall[, upon the member's termination of  
65 employment,] elect to receive the [amount in] **value of** the member's DROP account, including  
66 [any accrued interest] **the member's voluntary contributions, if any, and the member's**  
67 **mandatory contributions deposited in the DROP account, if any determined pursuant to**  
68 **subsection 11 or 12, as applicable, of this section**, in one of the following forms of payment:

- 69 (a) A lump sum payment; or  
70 (b) Equal monthly installments over a ten-year period.

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72 [Any interest earned pursuant to this section during the installment period shall be paid as soon  
73 as reasonably possible after the final monthly installment.] Either form of payment should begin  
74 within thirty days after the member's notice to the board of trustees that the member has selected  
75 a particular option.

76 6. [A member who has elected to participate in the DROP may not reenter the system  
77 in any fashion. At the conclusion of the member's participation in the DROP by reason of the  
78 expiration of the five-year period, if the member does not terminate the member's employment  
79 as a police officer in the city for which the retirement system was established pursuant to sections  
80 86.200 to 86.366, the member shall continue not to have any percentage of the member's salary  
81 deducted for a contribution nor shall any of the member's employment period count as creditable  
82 service.] **If a member who is participating in the DROP elects to return to active**  
83 **participation in the system or if a member who is participating in the DROP does not**  
84 **terminate employment as a police officer in the city for which the retirement system was**  
85 **established pursuant to sections 86.200 to 86.366 and actually retires at the end of the five-**  
86 **year period commencing on the first day of the member's participation in the DROP, the**  
87 **member shall return to active participation in the system and shall resume making**  
88 **mandatory contributions to the system effective as of the day after participation in the**  
89 **DROP ends or, if later, October 1, 2001. The board of trustees shall notify the police**  
90 **commissioners to begin deducting mandatory contributions from the member's salary and**  
91 **the member's employment period shall count as creditable service beginning as of the day**  
92 **the member returns to active participation.**

93 7. **In no event shall a member whose participation in DROP has ended for any**  
94 **reason be eligible to participate in DROP again, nor shall any voluntary contributions or**  
95 **mandatory contributions be deposited in a member's DROP account after participation**  
96 **in the DROP has ended.**

97 8. **Upon the member's termination of employment as a police officer and actual**  
98 **retirement, the member's mandatory contributions to the retirement system, other than**  
99 **mandatory contributions that were deposited in the member's DROP account pursuant to**

subsection 3 of this section, shall be paid to the member pursuant to subsection 4 of section 86.253.

[7.] 9. If a member dies prior to termination of employment as a police officer and actual retirement while participating in the DROP or before the member has received full withdrawal of the amount in the member's DROP account under the installment optional payment form, the [funds in] remaining balance of the member's DROP account[, including any accumulated interest,] shall be payable to the member's surviving spouse; or, if the member is then unmarried, to the member's dependent children in equal shares; or, if none, to the member's dependent mother or father; or, if none, to the member's designated beneficiary or, if no such beneficiary is then living, to the member's estate. Payment shall be made within sixty days after the retirement system is notified of the member's death. In addition, the member's mandatory contributions, if any, that were not already paid to the member pursuant to subsection 4 of section 86.253 or deposited in the member's DROP account pursuant to subsection 3 of this section, shall be paid to the member's surviving spouse pursuant to section 86.288.

[8.] 10. If a member has elected to participate in the DROP and during such participation period applies for and receives benefits for an accidental disability retirement allowance pursuant to the provisions of section 86.263, the member shall forfeit all rights, claims or interest in the member's DROP account, other than the portion of the DROP account attributable to the member's mandatory contributions deposited in the DROP account pursuant to subsection 3 of this section, and the member's voluntary contributions, if any, and the member's benefits shall be calculated as if the member has continued in employment and had not elected to participate in the DROP. Any portion of a DROP account that has been forfeited as provided in this subsection shall be a general asset of the system. The portion of the member's DROP account, if any, attributable to the member's voluntary contributions and mandatory contributions deposited in the DROP account pursuant to subsection 3 of this section shall be distributed in accordance with subsection 5 of this section.

[9.] 11. For periods prior to the date the provisions of subsection 12 of this subsection become operational, a member's DROP account shall earn interest equal to the rate of return earned by the system's investment portfolio on a market value basis, including realized and unrealized gains and losses, net of investment expense, as certified by the system's actuary. As of the first day of each year, beginning with the second fiscal year of participation, the member's DROP account balance, determined as of the first day of such year, shall be credited with interest at the investment rate earned by the assets of the retirement system for the prior year. If distribution of the member's DROP account balance is completed during the year, interest shall be credited, based on the beginning balance for the year, in proportion to the part of the year preceding the date of final distribution. No interest shall be credited on amounts, if

any, added to the member's DROP account during the year in which the distribution of the account is completed. **If the member's DROP account is paid in equal monthly installments pursuant to subsection 5 of this section, any interest credited to the DROP account during the installment period shall be paid as soon as reasonably possible after the final monthly installment.**

**12. Within a reasonable period of time after the Internal Revenue Service issues a favorable determination letter with respect to this subsection, the board of trustees may establish and implement procedures under which a member shall direct the investment of the member's DROP account balance and future DROP account deposits, including any voluntary contributions and any mandatory contributions deposited in the DROP account pursuant to subsection 3 of this section, into one or more of several DROP investment options selected by the board of trustees and made available to members for investment of their DROP accounts. Effective from and after the date such DROP investment options are made available, no member may elect to leave the member's DROP account in the system's general investment portfolio. If a member fails to direct the investment of the member's DROP account, the account shall be invested in the DROP investment option designated as the default DROP investment option by the board of trustees. Investment directions and changes in investment directions shall be made in accordance with procedures established by the board of trustees. The value of the member's DROP account as of any date shall be determined in accordance with the terms of the DROP investment options in which the member's account is invested and shall be net of the member's share of investment and other expenses charged by such DROP investment option. In addition, all other reasonable administrative costs incurred on behalf of the member pursuant to this subsection, including record keeping fees, shall be borne by the member's DROP account. The board of trustees, in its discretion, may from time to time change the DROP investment options to be made available to members for investment pursuant to this subsection.**

**13. Within a reasonable period of time after the Internal Revenue Service issues a favorable determination letter with respect to subsection 12 of this section, the value of each member's DROP account as of the date DROP investment options are made available pursuant to section 12 of this section shall be transferred to the DROP investment options selected by the member in an initial DROP investment election or, in the absence of such election, to the default DROP investment option designated by the board of trustees. Such value shall be determined in accordance with the provisions of subsection 11 of this section. If the transfer occurs on a date other than the first day of the year, the value shall be determined as if the distribution of the member's DROP account had been completed**

during the year. If, as of the date of the transfer, the interest to be credited on the member's DROP account for the period ending on the date of the transfer has not been determined, the amount of interest to be credited shall be determined and transferred as soon as administratively possible to the DROP investment options in accordance with the member's DROP investment election in effect at the time of such transfer. If any member is receiving payment of his or her DROP account in installments at the time of the transfer, any interest credited to such member's DROP account during the installment period shall be transferred to the DROP investment options selected by the member in an initial DROP investment election. Installment payments shall continue; however, distribution of gains or losses attributable to the member's DROP investment options during the installment period shall not be deferred until after the end of the installment period.

[10.] 14. The board of trustees shall not incur any liability individually or on behalf of other individuals for any act or omission, made in good faith in relation to the DROP or assets credited to DROP accounts, nor shall the board of trustees be liable for any increase or decrease in the value of a member's DROP account when such increase or decrease results from the implementation of investment directions properly given by the member in accordance with subsection 12 of this section and procedures established thereunder.

[11. The DROP established by this section] 15. Each of the changes made by this section is subject to approval by the Internal Revenue Service, and changes which are approved by the Internal Revenue Service shall become effective as soon as administratively feasible after such approval or, if later, on the effective date specified by law. To the extent that the Internal Revenue Service does not approve any provision of this section, then subject to Internal Revenue Service approval, such determination shall not affect the remaining provisions of sections 86.200 to 86.366, which shall be construed as if the provisions not approved by the Internal Revenue Service had never been included. The provisions of the Internal Revenue Code and regulations promulgated thereunder shall supersede any [DROP] provision of this section if there is any inconsistency with the Internal Revenue Code or regulation.

[12.] 16. Upon the receipt by the board of trustees of evidence and proof that the death of a member resulted from an event occurring while the member was in the actual performance of duty, and if the member is participating in the DROP, the member's surviving spouse or, if the member is then unmarried, the member's unmarried dependent children, may elect within thirty days after the member's death to have the amount in the member's DROP account paid in the form of a monthly survivor annuity. Payment of the survivor annuity shall begin within sixty days after the election is received. Payment to the member's surviving spouse shall continue until the surviving spouse's death; payment to the member's unmarried dependent children shall

208 be made while any child qualifies as an unmarried dependent child pursuant to section 86.280.  
209 The survivor annuity shall be the actuarial equivalent of the member's DROP account as of the  
210 date payment begins. In no event shall the total amount paid pursuant to this subsection be less  
211 than the member's DROP account balance as of the date payment begins.

86.252. Notwithstanding any provision of sections 86.200 to 86.366, to the contrary, the  
2 entire interest of a member shall be distributed or begin to be distributed no later than the  
3 member's required beginning date. The general required beginning date of a member's benefit  
4 is April first of the calendar year following the calendar year in which the member attains age  
5 seventy and one-half years or, if later, in which the member **terminates employment as a police**  
6 **officer and actually** retires. All distributions required pursuant to this section shall be  
7 determined and made in accordance with the income tax regulations under Section 401(a)(9) of  
8 the Internal Revenue Code, including the minimum distribution incidental benefit requirement  
9 of Section 1.401(a)(9)-2 of the income tax regulations. As of the first distribution year,  
10 distributions, if not made in a single sum, may only be made over one of the following periods,  
11 or a combination thereof:

- 12 (1) The life of the member;
- 13 (2) The life of the member and a designated beneficiary;
- 14 (3) A period certain not extending beyond the life expectancy of the member; or
- 15 (4) A period certain not extending beyond the joint and last survivor expectancy of the  
16 member and a designated beneficiary.

86.253. 1. Upon **termination of employment as a police officer and actual** retirement  
2 for service, a member shall receive a service retirement allowance which shall be an amount  
3 equal to two percent of the member's average final compensation multiplied by the number of  
4 years of the member's creditable service, up to twenty-five years, plus an amount equal to four  
5 percent of the member's average final compensation for each year of creditable service in excess  
6 of twenty-five years but not in excess of thirty years; plus an additional five percent of the  
7 member's average final compensation for any creditable service in excess of thirty years.  
8 Notwithstanding the foregoing, the service retirement allowance of a member who does not earn  
9 any creditable service after August 11, 1999, shall not exceed an amount equal to seventy percent  
10 of the member's average final compensation, and the service retirement allowance of a member  
11 who earns creditable service on or after August 12, 1999, shall not exceed an amount equal to  
12 seventy-five percent of the member's average final compensation; **provided, however, that the**  
13 **service retirement allowance of a member who is participating in the DROP pursuant to**  
14 **section 86.251 on August 12, 1999, who returns to active participation in the system**  
15 **pursuant to section 86.251, and who terminates employment as a police officer and actually**  
16 **retires for reasons other than death or disability before earning at least two years of**

17 **creditable service after such return shall be the sum of (1) the member's service retirement**  
18 **allowance as of the date the member entered DROP and (2) an additional service**  
19 **retirement allowance based solely on the creditable service earned by the member**  
20 **following the member's return to active participation. The member's total years of**  
21 **creditable service shall be taken into account for the purpose of determining whether the**  
22 **additional allowance attributable to such additional creditable service is two percent, four**  
23 **percent or five percent of the member's average final compensation.**

24         2. If, at any time since first becoming a member of the retirement system, the member  
25 has served in the armed forces of the United States, and has subsequently been reinstated as a  
26 policeman within ninety days after the member's discharge, the member shall be granted credit  
27 for such service as if the member's service in the police department of such city had not been  
28 interrupted by the member's induction into the armed forces of the United States. If earnable  
29 compensation is needed for such period in computation of benefits it shall be calculated on the  
30 basis of the compensation payable to the officers of the member's rank during the period of the  
31 member's absence. Notwithstanding any provision of sections 86.200 to 86.366 to the contrary,  
32 the retirement system governed by sections 86.200 to 86.366 shall be operated and administered  
33 in accordance with the applicable provisions of the Uniformed Services Employment and  
34 Reemployment Rights Act of [1984] **1994**, as amended.

35         3. The service retirement allowance of each present and future retired member who  
36 **terminated employment as a police officer and actually** retired from service after attaining  
37 age fifty-five or after completing twenty years of creditable service shall be increased annually  
38 at a rate not to exceed three percent as approved by the board of trustees beginning with the first  
39 increase in the second October following the member's retirement and subsequent increases in  
40 each October thereafter, provided that each increase is subject to a determination by the board  
41 of trustees that the consumer price index (United States City Average Index) as published by the  
42 United States Department of Labor shows an increase of not less than the approved rate during  
43 the latest twelve-month period for which the index is available at the date of determination; and  
44 provided further, that if the increase is in excess of the approved rate for any year, such excess  
45 shall be accumulated as to any retired member and increases may be granted in subsequent years  
46 subject to a maximum of three percent for each full year from October following the member's  
47 retirement but not to exceed a total percentage increase of thirty percent. In no event shall the  
48 increase described under this subsection be applied to the amount, if any, paid to a member or  
49 surviving spouse of a deceased member for services as a special consultant under subsection 5  
50 of this section or, if applicable, subsection 6 of this section. If the board of trustees determines  
51 that the index has decreased for any year, the benefits of any retired member that have been  
52 increased shall be decreased but not below the member's initial benefit. No annual increase shall

53 be made of less than one percent and no decrease of less than three percent except that any  
54 decrease may be limited in amount by the initial benefit.

55 4. In addition to any other retirement allowance payable under this section and section  
56 86.250, a member, upon **termination of employment as police officer and actual** service  
57 retirement, shall be repaid the total amount of the member's [contribution] **mandatory**  
58 **contributions** to the retirement system, **other than mandatory contributions that were**  
59 **deposited in the member's DROP account pursuant to subsection 3 of section 86.251,**  
60 without interest. The board shall pay the retired member such total amount of the member's  
61 [contribution] **mandatory contributions** to the retirement system **to be paid pursuant to this**  
62 **subsection** within sixty days after such retired member's date of **termination of employment**  
63 **as a police officer and actual** retirement.

64 5. Any person who is receiving retirement benefits from the retirement system, upon  
65 application to the board of trustees, shall be made, constituted, appointed and employed by the  
66 board of trustees as a special consultant on the problems of retirement, aging and other matters,  
67 for the remainder of the person's life or, in the case of a deceased member's surviving spouse,  
68 until the earlier of the person's death or remarriage, and upon request of the board of trustees  
69 shall give opinions and be available to give opinions in writing or orally, in response to such  
70 requests, as may be required. For such services the special consultant shall be compensated  
71 monthly, in an amount which, when added to any monthly retirement benefits being received  
72 from the retirement system, including any cost-of-living increases under subsection 3 of this  
73 section, shall total six hundred fifty dollars a month. This employment shall in no way affect any  
74 person's eligibility for retirement benefits under this chapter, or in any way have the effect of  
75 reducing retirement benefits, notwithstanding any provisions of law to the contrary.

86.254. 1. Beginning July 1, 1994, in addition to any other annuity, benefits, or  
2 retirement allowance provided pursuant to sections 86.200 to 86.366, each present and future  
3 retired member after attaining the age of sixty years shall, upon application to the board of  
4 trustees, be made, constituted, appointed and employed by the board of trustees as an advisor on  
5 the problems of retirement, aging and other matters, for the remainder of the retired member's  
6 life, and upon request of the board of trustees shall give opinions in writing or orally in response  
7 to such requests as may be required.

8 2. For the performance of duties required in subsection 1 of this section, each retired  
9 member employed as an advisor by the board of trustees shall be compensated monthly in an  
10 amount of ten dollars per month multiplied by the number of years the retired member is past the  
11 age of sixty years. **Effective October 1, 2001, for the performance of duties required by**  
12 **subsection 1 of this section, each retired member employed as an advisor by the board of**  
13 **trustees shall be compensated monthly in an amount of twenty dollars per month**

14 **multiplied by the number of years the retired member is past the age of sixty years.** The  
15 compensation provided by this subsection shall be adjusted annually. No funding shall be  
16 required prior to the effective date of this benefit.

17 3. Beginning October 1, 1999, in addition to any other benefit provided to any surviving  
18 spouse pursuant to sections 86.200 to 86.366, each present and future surviving spouse of a  
19 member after attaining the age of sixty years shall upon application to the board of trustees, be  
20 made, constituted, appointed and employed by the board of trustees as an advisor on the  
21 problems of retirement, aging and other matters for the remainder of the surviving spouse's life  
22 or until the surviving spouse remarries, whichever is earlier, and upon request of the board of  
23 trustees shall give opinions in writing or orally in response to such requests as may be required.

24 4. For the performance of duties required in subsection 3 of this section, each surviving  
25 spouse of a member employed as an advisor by the board of trustees shall be compensated  
26 monthly in an amount of ten dollars per month multiplied by the number of years the surviving  
27 spouse is past the age of sixty years. **Effective October 1, 2001, for the performance of duties**  
28 **required by subsection 1 of this section, each surviving spouse of a member employed as**  
29 **an advisor by the board of trustees shall be compensated monthly in an amount of twenty**  
30 **dollars per month multiplied by the number of years the surviving spouse is past the age**  
31 **of sixty years.** The compensation provided by this subsection shall be adjusted annually.

86.256. 1. In no event shall a member's annual benefit paid under the plan established  
2 pursuant to sections 86.200 to 86.366, exceed the amount specified in Section 415(b) of the  
3 Internal Revenue Code, as adjusted for any applicable increases in the cost of living, as in effect  
4 on the last day of the plan year, including any increases after the member's termination of  
5 employment.

6 2. In no event shall the annual additions to the plan established pursuant to sections  
7 86.200 to 86.366, on behalf of the member, including the member's own **mandatory and**  
8 **voluntary** contributions, exceed the lesser of:

9 (1) Twenty-five percent of the member's compensation, as defined for purposes of  
10 Section 415(c) of the Internal Revenue Code; or

11 (2) Thirty thousand dollars, as adjusted for increases in the cost of living.

12 3. Effective for limitation years beginning prior to January 1, 2000, in no event shall the  
13 combined plan limitation of Section 415(e) of the Internal Revenue Code be exceeded; provided  
14 that, if necessary to avoid exceeding such limitation, the member's annual benefit under the plan  
15 established pursuant to sections 86.200 to 86.366 shall be reduced to the extent necessary to  
16 satisfy such limitations.

17 4. For purposes of this section, Section 415 of the Internal Revenue Code, including the  
18 special rules under Section 415(b) applicable to governmental plans and qualified participants



19 in police and fire department plans, is incorporated in this section by reference.

2 86.257. Upon the application of a member in service or of the board of police  
3 commissioners, any member who has had ten or more years of creditable service shall **terminate**  
4 **employment as a police officer and shall be actually** retired by the board of trustees, not more  
5 than ninety days next following the date of filing such application on an ordinary disability  
6 retirement allowance; provided, that the medical board after a medical examination of such  
7 member shall certify that such member is mentally or physically incapacitated for the further  
8 performance of duty, that such incapacity is likely to be permanent and that such member should  
9 be retired.

2 86.260. 1. Upon **termination of employment as a police officer and actual** retirement  
3 for ordinary disability a member shall receive a service retirement allowance if the member has  
4 attained the age of fifty-five or completed twenty years of creditable service; otherwise the  
5 member shall receive an ordinary disability retirement allowance which shall be equal to ninety  
6 percent of the member's accrued service retirement in section 86.253, but not less than one-fourth  
7 of the member's average final compensation; provided, however, that no such allowance shall  
8 exceed ninety percent of the member's accrued service retirement benefit based on continuation  
9 of the member's creditable service to the age set out in section 86.250.

2 2. Effective October 1, 1999, the ordinary disability retirement allowance will be  
3 increased by fifteen percent of the member's average final compensation for each unmarried  
4 dependent child of the disabled member who is under the age of eighteen, or who, regardless of  
5 age, is totally and permanently mentally or physically disabled and incapacitated from engaging  
6 in gainful occupation sufficient to support himself or herself, but not in excess of a total of three  
7 children; provided, however, that the combined benefit shall not exceed seventy percent of such  
8 average final compensation.  
9

2 3. Any member receiving benefits pursuant to the provisions of this section immediately  
3 prior to October 1, 1999, shall upon application to the board of trustees, be made, constituted,  
4 appointed and employed by the board of trustees as a special consultant on the problems of  
5 retirement, aging and other matters while the member is receiving such benefits, and upon  
6 request of the board of trustees shall give opinions in writing or orally in response to such  
7 requests as may be required. Beginning October 1, 1999, for such services as may be required,  
8 there shall be payable an additional monthly compensation of one hundred dollars or five percent  
9 of the member's average final compensation, whichever is greater, for each unmarried dependent  
10 child of the member, but not in excess of a total of three children.

2 4. Any benefit payable to or for the benefit of a child or children under the age of  
3 eighteen years pursuant to the provisions of subsections 2 and 3 of this section shall continue to  
4 be paid beyond the age of eighteen years through the age of twenty-two years in those cases  
5

28 where the child is a full-time student at a regularly accredited college, business school, nursing  
29 school, school for technical or vocational training, or university, but such extended benefit shall  
30 cease whenever the child ceases to be a student. A college or university shall be deemed to be  
31 regularly accredited which maintains membership in good standing in a national or regional  
32 accrediting agency recognized by any state college or university.

33 5. No benefits pursuant to this section shall be paid to a child over eighteen years of age  
34 who is totally and permanently disabled if such child is a patient or resident of a public-supported  
35 institution, nor shall such benefits be paid unless such disability occurred prior to such child  
36 reaching the age of eighteen.

86.263. Upon application by the member or the board of police commissioners any  
2 member who has become totally and permanently incapacitated for duty **at some definite time**  
3 **and place** as the natural and proximate result of an accident occurring while in the actual  
4 performance of duty through no negligence on the member's part, and if such accident occurred  
5 not more than five years prior to date of application unless the accident was reported and an  
6 examination made of the member by the medical staff of the board of police commissioners  
7 within five years of the date of the accident with subsequent examinations made as requested,  
8 shall be retired by the board of trustees provided that the medical board shall certify that such  
9 member is mentally or physically incapacitated for further performance of duty, that such  
10 incapacity is likely to be permanent and that such member should be retired; provided that if the  
11 accident occurred prior to the age and year set out in section 86.250, application for benefits must  
12 be made before such age and year except that the interval between date of accident and of  
13 application may be six months.

86.267. 1. Upon **termination of employment as a police officer and actual** retirement  
2 for accidental disability, other than permanent total disability as defined in subsection 2, a  
3 member shall receive a retirement allowance of seventy-five percent of the member's average  
4 final compensation.

5 2. Any member who, as the natural and proximate result of an accident occurring **at**  
6 **some definite time and place** in the actual performance of the member's duty through no  
7 negligence on the member's part, is permanently and totally incapacitated from performing any  
8 work, occupation or vocation of any kind whatsoever shall receive a retirement allowance as  
9 under subsection 1 or, in the discretion of the board of trustees, may receive a larger retirement  
10 allowance in an amount not exceeding the member's rate of compensation as a policeman in  
11 effect as of the date the allowance begins.

12 3. The board of trustees, in its discretion, may, in addition to the allowance granted in  
13 accordance with the provisions of subsections 1 and 2, grant an allowance in an amount to be  
14 determined by the board of trustees, to provide such member with surgical, medical and hospital

15 care reasonably required after retirement, which are the result and in consequence of the accident  
16 causing such disability.

17 4. Any person who is receiving benefits pursuant to subsection 2 of this section on or  
18 after August 28, 1997, **and any person who is receiving benefits pursuant to subsection 1 of**  
19 **this section on or after October 1, 2001, and who made mandatory contributions to the**  
20 **retirement system that were not deposited in a DROP account pursuant to subsection 3 of**  
21 **section 86.251**, upon application to the board of trustees, shall be made, constituted, appointed  
22 and employed by the board of trustees as a special consultant on the problems of retirement,  
23 aging and other matters, and upon request of the board of trustees shall give opinions and be  
24 available to give opinions in writing or orally, in response to such requests, as may be required.  
25 For such services the retired member shall be paid a lump sum payment in an amount equal to  
26 the total amount of the member's **mandatory** contributions to the retirement system **that were**  
27 **not deposited in the member's DROP account**, without interest, within sixty days after  
28 approval of the retired member's application by the board of trustees.

86.288. In addition to any other benefits payable, notwithstanding any provisions of  
2 sections 86.280 and 86.287 to the contrary, if a member dies while commissioned as a peace  
3 officer, or after retiring and before receiving a refund of the member's **mandatory** contributions  
4 in accordance with section 86.253 or 86.290, or while receiving a disability retirement allowance  
5 in accordance with section 86.253 or 86.257, **and if the member made any mandatory**  
6 **contributions that were not deposited in a DROP account in accordance with subsection**  
7 **3 of section 86.251**, the total amount of the member's [contribution] **mandatory contributions**  
8 to the retirement system **that were not deposited in the member's DROP account** shall be paid  
9 without interest to the surviving spouse of such member. Payment pursuant to this section shall  
10 be made within sixty days after the later of the date proper proofs of death are provided or  
11 August 28, 1994, regardless of when the member died or **actually** retired, provided that the  
12 surviving spouse shall be alive on the date that payment is made.

86.290. Should a member cease to be a policeman except by death or **actual** retirement,  
2 the member may request payment of the amount of the accumulated contributions standing to  
3 the credit of the member's individual account, including members' interest, in which event such  
4 amount shall be paid to the member not later than one year after the member ceases to be a  
5 policeman. If the former member is reemployed as a policeman before any portion of such  
6 former member's accumulated contributions is distributed, no distribution shall be made. If the  
7 former member is reemployed as a policeman after a portion of the former member's  
8 accumulated contributions is distributed, the amount remaining shall also be distributed.

86.292. If the board of trustees is unable to refund the **accumulated** contributions of a  
2 member or to commence payment of benefits within five years after such refund or benefits are

3 otherwise first due and payable, the accumulated contributions shall remain assets of the  
4 retirement system. If proper application is thereafter made for refund or benefits, the board shall  
5 make payment, but no credit shall be allowed for any interest after the date the refund or benefits  
6 were first due and payable.

86.300. The board of trustees shall be the trustees of the assets of the retirement system  
2 created by sections 86.200 to 86.366 [as provided in section 86.317] and shall have full power  
3 to [invest and reinvest such assets, subject to all the terms, conditions, limitations and restrictions  
4 imposed by law upon life or casualty insurance companies in the state of Missouri in making and  
5 disposing of their investments; and subject to like terms, conditions, limitations and restrictions  
6 said trustees shall have full power to hold, purchase, sell, assign, transfer or dispose of any of the  
7 securities and investments in which any of the assets shall have been invested, as well as of the  
8 proceeds of said investments and any moneys belonging to the retirement system] **hold,**  
9 **purchase, sell, assign, transfer or dispose of any of the securities and investments in which**  
10 **any of the assets shall have been invested, as well as the proceeds of such investments and**  
11 **any moneys belonging to the retirement system, subject to the terms, conditions and**  
12 **limitations provided in sections 105.687 to 105.689, RSMo.**

86.320. 1. The board of trustees shall certify to the board of police commissioners and  
2 the board of police commissioners shall cause to be deducted from the salary of each member  
3 on each and every payroll for each and every pay period, seven percent of the compensation of  
4 each member **who is** not participating in the DROP, **including each member whose**  
5 **participation in the DROP has ended and who has returned to active participation in the**  
6 **system pursuant to section 86.251,** and zero percent of the compensation of each member **who**  
7 **is** participating in the DROP or [after the conclusion of the member's participation in the DROP  
8 if the officer does not retire at that time] **whose participation in the DROP has ended but who**  
9 **has not returned to active participation in the system pursuant to section 86.251.**

10 2. The deductions provided for in this section shall be made notwithstanding that the  
11 minimum compensation provided by law for any member shall be reduced thereby. Every  
12 member shall be deemed to consent to the deductions made and provided for in this section, and  
13 shall receipt for the member's full salary or compensation and payment of salary or compensation  
14 less such deduction shall be a full and complete discharge and acquittance of all claims and  
15 demands whatsoever for services rendered during the period covered by the payment except as  
16 to benefits provided by sections 86.200 to 86.366. The board of police commissioners shall  
17 certify to the board of trustees on each and every payroll or in such other manner as the board  
18 of trustees shall prescribe the amount deducted, and such amounts shall be paid into the system  
19 and shall be credited together with members' interest thereon to the individual account of the  
20 member from whose compensation such deduction was made.

21           3. The board of trustees is authorized to grant additional benefits for such parts of  
22 contributions as were made prior to the adoption of the seven-percent rate for all members which  
23 were in excess of the compulsory contributions required of each member. **This subsection shall**  
24 **not apply to voluntary contributions made by a member in accordance with subsection 4**  
25 **of section 86.251.**

          86.340. The accrued liability contribution should be discontinued as soon as the  
2 accumulated reserve in the general [reserve] fund shall equal the present value, as actuarially  
3 computed and approved by the board of trustees, of the total liability of said fund, less the  
4 present value, computed on the basis of the normal contribution rate then in force, of the  
5 prospective normal contributions to be received on account of persons who are at that time  
6 members.

          86.353. The right of any person to a benefit, any other right accrued or accruing to any  
2 person under the provisions of sections 86.200 to 86.366 and the moneys created pursuant to  
3 sections 86.200 to 86.366 are exempt from any tax of the state of Missouri and are not subject  
4 to execution, garnishment, attachment or any other process whatsoever and are unassignable  
5 except as in sections 86.200 to 86.366 specifically provided. Notwithstanding the foregoing,  
6 nothing in this section shall prevent the board of trustees from honoring the terms of a court  
7 order requiring the retirement system to pay all or any portion of the retirement benefit otherwise  
8 payable to a retired or disabled member to a third party to satisfy the member's obligation to pay  
9 child support or maintenance. **Any relief association created pursuant to section 86.500 shall**  
10 **be exempt from the tax imposed by sections 143.011 to 143.1013, RSMo.**

          86.360. The board of trustees provided for by section 86.213 is hereby authorized to  
2 consolidate, combine and transfer funds provided by sections 86.010 to 86.193 with the funds  
3 provided by sections 86.200 to 86.366 in such a manner as will simplify the operations of the two  
4 systems. [The accounts of all members of the two systems will be in the members' savings fund,  
5 and the pension accumulation fund will be in the general reserve fund.] Separate records shall  
6 be maintained only to the extent necessary to determine and pay the benefits provided by sections  
7 86.010 to 86.193 for those policemen electing not to become members of the retirement system  
8 provided by sections 86.200 to 86.366. The board of trustees may accept the membership  
9 records of the older system in lieu of the requirements in section 86.210. The board of trustees  
10 may authorize the use of the same actuarial assumptions and interest rate in the calculation of  
11 the contributions by the cities for both systems and the accrued liability rate may be a combined  
12 rate for both systems.

          86.365. Any person who served as a policeman for a period of thirty years and who  
2 **terminated employment and actually** retired prior to October 1, 1957, in the police department  
3 of any city [having a population of over seven hundred thousand] **not within a county**, under

4 the provisions of this chapter, shall, upon application to the police department of that city, be  
5 employed by the department as a special advisor and supervisor in connection with city police  
6 problems. Any person so employed shall perform such duties as the chief of police directs and  
7 shall receive a salary of one hundred dollars per month, payable out of the department budget  
8 pursuant to appropriations for the purpose; except that, the payment to the retired person for such  
9 services, together with the retirement benefits such retired person receives under this chapter,  
10 shall not exceed two hundred dollars per month. The employment provided for by this section  
11 shall in no way affect any person's eligibility for retirement benefits under any provision of this  
12 chapter.