

SCS HCS HB 152 & 180 -- PUBLIC EMPLOYEE RETIREMENT SYSTEMS

This bill makes various changes to public employee retirement systems.

ST. LOUIS POLICE RETIREMENT SYSTEM

The bill makes technical corrections to the Deferred Retirement Option Plan (DROP) for the St. Louis City Police Retirement System.

KANSAS CITY POLICE AND CIVILIAN EMPLOYEES' RETIREMENT SYSTEMS

Concerning the Kansas City Police and Civilian Employees' Retirement Systems, the bill:

- (1) Requires benefits and conditions to always be adjusted to ensure that tax-exempt status is maintained;
- (2) Requires a member's benefits to be 100% vested and non-forfeitable upon the member's attainment of the normal retirement age;
- (3) Requires the distribution of retirement benefits to begin no later than April 1 of the year following the calendar year during which the member becomes 70 1/2 years of age;
- (4) Prohibits benefits in excess of the limits set by Section 415 of the Internal Revenue Code;
- (5) Limits the total salary taken into account for any purpose for any member to no more than \$200,000 per year, subject to adjustments in accordance with the Internal Revenue Code;
- (6) Gives the retirement boards authority to approve changes to actuarial assumptions at any time annually, but a change in actuarial assumptions may not result in any decrease in benefits accrued as of the effective date of the change;
- (7) Allows a member or beneficiary to transfer an eligible rollover distribution to another eligible retirement plan;
- (8) Gives the retirement boards authority to provide fiduciary liability insurance;
- (9) Makes other changes to conform with the Internal Revenue Code;
- (10) Changes the designation and election for the five elected members of the Kansas City Police Retirement Board in 2004;

- (11) Allows members to receive a partial lump-sum option payment;
- (12) Makes the retirement boards state agencies for the purpose of the administrative procedure and review process;
- (13) Requires the Kansas City Police Department to grant authorized leave with pay to active police officers and civilian employees to attend educational seminars and similar functions for a period not to exceed 10 days in any calendar year;
- (14) Authorizes the City of Kansas City and the Kansas City Police Department to adopt a program of incentives to encourage early retirement of members and civilian employees, contingent upon the city requesting and agreeing to increase financial contributions to the police retirement system; and
- (15) Requires a funeral benefit of \$1,000 to be paid in addition to all other benefits for a civilian employee.

TEACHING PERSONNEL, PUBLIC SCHOOL RETIREMENT SYSTEMS, AND THE
NON-TEACHER SCHOOL RETIREMENT SYSTEM

The bill requires the State Board of Education to develop rules to facilitate job-sharing positions for classroom teachers. The bill contains a definition for "job-sharing position" and entitles teachers in these positions to certain employment and retirement benefits.

Pertaining to retirement systems in school districts with 300,000 residents or less and the Non-Teacher School Retirement System, the bill:

- (1) Requires the Board of Trustees of both systems to determine and certify to employers the level rate of contribution and specifies the time period that the rate should be established;
- (2) Requires the level rate of contribution for a fiscal year not to exceed the rate of contribution for the prior fiscal year by more than 0.5%. The level rate of contribution for the Non-Teacher School Retirement System for a fiscal year will not exceed the rate of contribution for the prior fiscal year by more than 0.25%;
- (3) Requires the boards to determine and certify the level rate of contribution for a fiscal year based on an actuarial valuation;
- (4) Requires the boards to have an actuary conduct an actuarial valuation of the system and additional valuations at least once

every 10 years; and

(5) Prohibits legislation from being enacted after July 1, 2003, which provides benefit increases to members and retirees of both systems until the contribution rate is equal to or less than the contribution rate in effect on July 1, 2003.