

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1480
92ND GENERAL ASSEMBLY

Reported from the Committee on Retirement, April 29, 2004, with recommendation that the House Committee Substitute for House Bill No. 1480 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

3616L.06C

AN ACT

To amend chapter 86, RSMo, by adding thereto fifteen new sections relating to law enforcement retirement.

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

Section A. Chapter 86, RSMo, is amended by adding thereto fifteen new sections, to be
2 known as sections 86.949, 86.952, 86.955, 86.958, 86.961, 86.964, 86.967, 86.970, 86.973,
3 86.976, 86.980, 86.985, 86.991, 86.994, and 488.028, to read as follows:

**86.949. As used in sections 86.949 to 86.994, unless the context clearly indicates that
2 a different meaning is intended, the following terms shall mean:**

3 **(1) "Annuity", annual payments made in equal monthly installments to a member
4 from funds provided for, in, or authorized by sections 86.949 to 86.994;**

5 **(2) "Annuity system" or "system", the police chief's and officer's annuity system
6 authorized by sections 86.949 to 86.994;**

7 **(3) "Board of directors" or "board", the board of directors established in sections
8 86.949 to 86.994;**

9 **(4) "Creditable membership service", service as a police chief or a police officer of
10 an eligible municipality or as a deputy sheriff after becoming a member that is creditable
11 in determining the amount of the member's benefits under this system;**

12 **(5) "Effective date of the establishment of the system", the date the governor
13 declares the system established pursuant to section 86.958;**

14 **(6) "Employee", any full-time police chief or police officer of a municipal police
15 department in this state, including the Kansas City police department, the St. Louis police
16 department, and the St. Louis County police department, and any full-time deputy sheriff**

17 in this state;

18 (7) "Member and eligible members", any active police chief, police officer, or
19 deputy sheriff of the system; any former police chief, police officer, or deputy sheriff
20 receiving retirement benefits from the system; any former police chief, police officer, or
21 deputy sheriff that is vested in the system but is not receiving benefits; any police chief,
22 police officer, or deputy sheriff on disability leave; and for the purposes of section 86.961,
23 any police chief or police officer who is employed full time by an eligible municipality or
24 any deputy sheriff who is employed full time by a county;

25 (8) "Municipality or eligible municipality", each municipal police department in
26 this state, including the Kansas City police department, the St. Louis police department,
27 and the St. Louis County police department;

28 (9) "Prior service", the total years of full-time licensed and commissioned law
29 enforcement service.

86.952. There is hereby established a "Police Chiefs' and Officers' Annuity Fund"
2 which shall be under the management of a board of directors described in section 86.958.
3 The board of directors shall be responsible for the administration and the investment of
4 the funds of such retirement fund. Neither the general assembly nor the governing body
5 of a county shall appropriate funds for deposit in the fund. If insufficient funds are
6 generated to provide the benefits payable pursuant to the provisions of sections 86.949 to
7 86.994, the board shall proportion the benefits according to the funds available.

86.955. 1. Beginning August 28, 2004, the following surcharge for police chiefs,
2 police officers, and deputy sheriffs shall be collected and paid as follows:

3 (1) There shall be assessed and collected a surcharge of seven dollars in all criminal
4 cases filed in the courts of this state including violation of any county or municipal
5 ordinance, or any violation of criminal or traffic laws of this state, including infractions,
6 but no such surcharge shall be assessed when the costs are waived or are to be paid by the
7 state, county, or municipality or when a criminal proceeding or the defendant has been
8 dismissed by the court or against any person who has pled guilty and paid their fine
9 pursuant to subsection 4 of section 476.385, RSMo. For purposes of this section, the term
10 "county ordinance" shall include any ordinance of the city of St. Louis;

11 (2) The clerk responsible for collecting court costs in municipal criminal cases shall
12 collect and disburse such amounts as provided by sections 488.010 to 488.026, RSMo. Such
13 funds shall be payable to the police chiefs' and officers' annuity fund created under section
14 86.952, and shall be used only for the purposes provided for in sections 86.949 to 86.994
15 and for no other purpose.

16 2. The board may accept gifts, donations, grants, and bequests from public or

17 private sources to the police chiefs' and officers' annuity fund.

2 **86.958. 1.** The general administration and the responsibility for the proper
3 operation of the fund and the investment of the fund are vested in a board of directors of
4 six persons. Three directors shall be either elected or appointed chiefs of police who are
5 members of the Missouri police chiefs' association, three of the directors shall be appointed
6 full-time municipal police officers who are members of a state fraternal order of police, and
7 one of the directors shall be a member of the house committee on retirement. The three
8 police chief directors shall be elected by a secret ballot vote of the police chiefs of the
9 municipalities. The three police officer or deputy sheriff directors shall be elected by a
10 secret ballot vote of police officers under the rank of chief and deputy sheriffs. The
11 director from the house committee on retirement shall be appointed by the speaker of the
12 house. Directors shall be chosen for terms of four years from the first day of January;
13 except that the members of the first board shall be appointed by the governor by and with
14 the consent of the senate. Upon completion of the appointment of the board, the governor
15 shall declare the system established. It shall be the responsibility of the initial board to
16 establish procedures for the conduct of future elections of trustees and such procedures
17 must be approved by a majority vote by secret ballot of the police chiefs, officers, and
18 deputy sheriffs. The board shall have all powers and duties that are necessary and proper
19 to enable it, its officers, employees, and agents to fully and effectively carry out all the
20 purposes of sections 86.949 to 86.994.

21 **2.** The board of directors shall elect one of their members as chair and one of their
22 members as vice chair and may employ an administrator who shall serve as secretary to
23 the board. The board shall hold regular meetings at least once each quarter. Other
24 meetings may be called as necessary by the chair. Notice of such meetings shall be given
25 in accordance with chapter 610, RSMo.

26 **3.** The board of directors shall retain an actuary as technical advisor to the board
27 of directors and an investment counsel to be an investment advisor to the board, and the
28 board of directors shall arrange for annual audits by a certified public accountant.

29 **4.** The board of directors shall serve without compensation for their services as
30 such; except that each director shall be paid for any necessary expenses incurred in the
31 performance of duties authorized by the board.

32 **5.** The board of directors shall be allowed administrative costs for the operation of
33 the system.

34 **6.** The board shall keep a record of its proceedings which shall be open to public
35 inspection and shall annually prepare a report showing the financial condition of the
system. The report shall contain, but not be limited to, an auditor's opinion, financial

36 statements prepared in accordance with generally accepted accounting principles, an
37 actuary's certification along with actuarial assumptions, and financial solvency tests.

38 7. Notwithstanding any other provisions of law to the contrary, after the expiration
39 of the terms of the board of trustees or directors holding office on January 1, 2005, the
40 directors elected as successors to those directors holding office on January 1, 2005, shall
41 be elected to staggered terms of four years each in the following manner: two directors
42 shall be elected for a two-year term with their successors being elected to four-year terms
43 and three directors shall be elected for a four-year term. The procedures for such elections
44 and the designation of which terms will initially be two-year terms and which will be four-
45 year terms shall be established solely by the board of directors of the police chiefs' and
46 officers' retirement system. Three directors shall be elected by a secret ballot vote of the
47 active and eligible police chiefs and two directors shall be elected by a secret vote of the
48 active and eligible police officers with a rank less than chief. Beginning with the election
49 of directors under the provisions of this subsection, at least one but not more than two of
50 the directors may be a retired member of the police chiefs' and officers' retirement system;
51 except that any vacancies occurring on the board after all members have been duly elected
52 shall be filled by the board and such appointed members shall serve until the next
53 regularly scheduled election for such filled position.

54 8. Notwithstanding any provision of law to the contrary, any board member who
55 was elected to the board as an active member representative and becomes a retired
56 member of the system after such election shall, with the approval of the board, continue
57 to serve on the board as an active member representative until the next regularly scheduled
58 election for that position.

86.961. On and after the effective date of the establishment of the system, as an
2 incident to his or her employment or continued employment, each person employed full
3 time as an elected marshal or chief of police, appointed chief of police, or police officer of
4 a municipality, or deputy sheriff of a county, shall become a member of the system upon
5 their enrollment as a member of the system and their first monthly contribution payment
6 of twenty dollars. Such membership shall continue as long as the person continues to be
7 an employee in a municipal police department or in a sheriff's office, continues to make
8 their monthly contribution, or is eligible to receive benefits under the provisions of sections
9 86.949 to 86.994.

86.964. Any member who has ten years or more of creditable membership service
2 and a minimum of ten years of prior service as police chief or police officer of an eligible
3 municipality or as a deputy sheriff of a county may receive a normal annuity or who has
4 five years or more of creditable membership service and a minimum of fifteen years of

5 prior service as police chief or police officer of an eligible municipality or as a deputy
6 sheriff may receive a normal annuity. If a member seeks to retire prior to the minimum
7 five years of creditable membership service that has fifteen years of creditable service and
8 is at least fifty-five years of age, but continues to make their contribution payments, that
9 member shall be eligible for a normal annuity. If a member which is receiving benefits
10 passes away then the payments shall continue for the remainder of the five-year benefit
11 period to the member's beneficiary.

86.967. The normal annuity of an activated member shall be five hundred dollars
2 per month for a benefit period of five years. The anticipated sum of all such payments
3 during the year, plus the annual normal cost plus the annual amount to amortize the
4 unfunded actuarial accrued liability in no more than thirty years, shall not exceed the
5 anticipated moneys credited to the system pursuant to section 86.955. The money amount
6 granted shall be continued to any survivor determined and officially documented by each
7 member upon enrollment and may be revised by official notification. In no case shall any
8 member receive benefits of this program prior to the age of fifty-five.

86.970. For the purpose of calculating benefits of a member, creditable membership
2 service years of service as a member of the program and twelfths of a year are to be used.

86.973. Any eligible police chief, officer, or deputy sheriff who becomes a member
2 of the system on the effective date of the establishment of the system shall be given credit
3 for eligible prior service up to fifteen years. All such prior service must be established to
4 the satisfaction of the board.

86.976. Any member may retire at any time after the end of the month during
2 which the member becomes eligible to retire under the provisions of section 86.964 and
3 upon the member's submission of a written application to the board setting forth at what
4 time, not less than thirty days nor more than ninety days subsequent to the execution and
5 filing of the application, the member desires to be retired. The payment of the annuity,
6 subject to the provisions of section 86.994, shall begin as of the first day of the calendar
7 month coincident with or next following the date specified by the member and shall
8 conclude upon the passage of five complete years.

86.980. A death benefit of ten thousand dollars shall be paid to the designated
2 beneficiary of every active member upon his or her death or to his or her estate if there is
3 no designated beneficiary, if the member is killed in the performance of his or her duty.

86.985. 1. A former member who has forfeited creditable service may have the
2 creditable service restored by again becoming an employee and completing creditable
3 membership service as set forth in section 86.961.

4 2. Absences for sickness or injury of less than twelve months shall be counted as

5 membership service.

2 **86.991. The benefits provided for by sections 86.949 to 86.994 shall in no way affect**
3 **any person's eligibility for retirement benefits under the local government employees'**
4 **retirement system under sections 70.600 to 70.755, RSMo, or any other local government**
5 **retirement or pension system, or in any way have the effect of reducing retirement benefits**
6 **in such systems, or reducing compensation or mileage reimbursement of employees.**

2 **86.994. Annuity payments to retired employees under the provisions of sections**
3 **86.949 to 86.994 shall be available beginning January first next succeeding the expiration**
4 **of five calendar years from the effective date of the establishment of the system to eligible**
5 **retired employees.**

2 **488.028. 1. As provided by section 86.955, RSMo, there shall be assessed and**
3 **collected a surcharge of seven dollars in all municipal criminal cases filed in the courts of**
4 **this state, including violations of any county ordinance or any violation of criminal or**
5 **traffic laws of this state, including infractions, but no such surcharge shall be assessed**
6 **when the costs are waived or are to be paid by the state, county, or municipality or when**
7 **a criminal proceeding or the defendant has been dismissed by the court or against any**
8 **person who has pled guilty and paid their fine pursuant to subsection 4 of section 476.385,**
9 **RSMo. For purposes of this section, the term "county ordinance" shall include any**
10 **ordinance of the city of St. Louis. The clerk responsible for collecting court costs in**
11 **criminal cases shall collect and disburse such amounts as provided by sections 488.010 to**
12 **488.020. Such funds shall be payable to the police chiefs' and officers' annuity fund**
13 **created under section 86.952, RSMo.**