

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]

HOUSE BILL NO. 323

93RD GENERAL ASSEMBLY

0394L.02T

2005

AN ACT

To repeal sections 86.370, 86.373, 86.374, 86.377, 86.380, 86.383, 86.387, 86.390, 86.393, 86.394, 86.397, 86.398, 86.400, 86.403, 86.407, 86.410, 86.413, 86.417, 86.420, 86.423, 86.427, 86.430, 86.433, 86.434, 86.437, 86.440, 86.441, 86.442, 86.443, 86.445, 86.447, 86.450, 86.453, 86.457, 86.460, 86.463, 86.467, 86.470, 86.473, 86.477, 86.480, 86.483, 86.487, 86.490, 86.493, 86.497, 86.600, 86.610, 86.611, 86.620, 86.630, 86.640, 86.650, 86.660, 86.665, 86.670, 86.671, 86.672, 86.675, 86.676, 86.680, 86.690, 86.700, 86.710, 86.720, 86.730, 86.740, 86.745, 86.750, 86.760, 86.770, 86.780 and 86.790, RSMo, and to enact in lieu thereof seventy-three new sections relating to Kansas City police retirement.

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

Section A. Sections 86.370, 86.373, 86.374, 86.377, 86.380, 86.383, 86.387, 86.390, 2 86.393, 86.394, 86.397, 86.398, 86.400, 86.403, 86.407, 86.410, 86.413, 86.417, 86.420, 86.423, 3 86.427, 86.430, 86.433, 86.434, 86.437, 86.440, 86.441, 86.442, 86.443, 86.445, 86.447, 86.450, 4 86.453, 86.457, 86.460, 86.463, 86.467, 86.470, 86.473, 86.477, 86.480, 86.483, 86.487, 86.490, 5 86.493, 86.497, 86.600, 86.610, 86.611, 86.620, 86.630, 86.640, 86.650, 86.660, 86.665, 86.670, 6 86.671, 86.672, 86.675, 86.676, 86.680, 86.690, 86.700, 86.710, 86.720, 86.730, 86.740, 86.745, 7 86.750, 86.760, 86.770, 86.780 and 86.790, RSMo, are repealed and seventy-three new sections 8 9 enacted in lieu thereof, to be known as sections 86.900, 86.910, 86.920, 86.930, 86.940, 86.950, 86.951, 86.960, 86.970, 86.980, 86.990, 86.1000, 86.1010, 86.1020, 86.1030, 86.1040, 86.1050,

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 86.1060, 86.1070, 86.1080, 86.1090, 86.1100, 86.1110, 86.1120, 86.1130, 86.1140, 86.1150,
11 86.1160, 86.1170, 86.1180, 86.1190, 86.1200, 86.1210, 86.1220, 86.1230, 86.1240, 86.1250,
12 86.1260, 86.1270, 86.1280, 86.1310, 86.1320, 86.1330, 86.1350, 86.1360, 86.1370, 86.1380,
13 86.1390, 86.1400, 86.1410, 86.1420, 86.1430, 86.1440, 86.1450, 86.1460, 86.1470, 86.1480,
14 86.1490, 86.1500, 86.1510, 86.1520, 86.1530, 86.1540, 86.1550, 86.1560, 86.1570, 86.1580,
15 86.1590, 86.1600, 86.1610, 86.1620, 86.1630 and 86.1640, to read as follows:

**86.900. The following words and phrases as used in sections 86.900 to 86.1280 shall
2 have the following meanings unless a different meaning is plainly required by the context:**

3 (1) "Accumulated contributions", the sum of all amounts deducted from the
4 compensation of a member and paid to the retirement board, together with all amounts
5 paid to the retirement board by a member or by a member's beneficiary, for the purchase
6 of prior service credits or any other purpose permitted under sections 86.900 to 86.1280;

7 (2) "Beneficiary", any person entitled, either currently or conditionally, to receive
8 pension or other benefits provided in sections 86.900 to 86.1280;

9 (3) "Board of police commissioners", the board composed of police commissioners
10 authorized by law to employ and manage an organized police force in the cities;

11 (4) "City" or "cities", any city which now has or may hereafter have a population
12 of more than three hundred thousand and less than seven hundred thousand inhabitants,
13 or any city that has made an election under section 86.910 to continue a police retirement
14 system maintained under sections 86.900 to 86.1280;

15 (5) "Compensation", the basic wage or salary paid a member for any period on the
16 basis of the member's rank and position, excluding bonuses, overtime pay, expense
17 allowances, and other extraordinary compensation; except that, notwithstanding such
18 provision, compensation for any year for any member shall not exceed the amount
19 permitted to be taken into account under Section 401(a)(17) of the Internal Revenue Code
20 as applicable to such year;

21 (6) "Consultant", unless otherwise specifically defined, a person retained by the
22 retirement system as a special consultant on the problems of retirement, aging and related
23 matters who, upon request of the retirement board, shall give opinions and be available to
24 give opinions in writing or orally in response to such requests, as may be needed by the
25 board;

26 (7) "Creditable service", service qualifying as a determinant of a member's pension
27 or other benefit under sections 86.900 to 86.1280 by meeting the requirements specified in
28 said sections or section 105.691, RSMo;

29 (8) "Final compensation", the average annual compensation of a member during
30 the member's service if less than two years, or the twenty-four months of service for which

31 the member received the highest salary whether consecutive or otherwise. In computing
32 the average annual compensation of a member, no compensation for service after the
33 thirtieth full year of membership service shall be included. For any period of time when
34 a member is paid on a frequency other than monthly, the member's salary for such period
35 shall be deemed to be the monthly equivalent of the member's annual rate of compensation
36 for such period;

37 (9) "Fiscal year", for the retirement system, the fiscal year of the cities;

38 (10) "Internal Revenue Code", the United States Internal Revenue Code of 1986,
39 as amended;

40 (11) "Medical board", not less than one nor more than three physicians appointed
41 by the retirement board to arrange for and conduct medical examinations as directed by
42 the retirement board;

43 (12) "Member", a member of the police retirement system as described in section
44 86.1090;

45 (13) "Pension", annual payments for life, payable monthly, beginning with the date
46 of retirement or other applicable commencement date and ending with death;

47 (14) "Pension fund", the fund resulting from contributions made thereto by the
48 cities affected by sections 86.900 to 86.1280 and by the members of the police retirement
49 system;

50 (15) "Police officer", an officer or member of the police department of the cities
51 employed for compensation by the boards of police commissioners of the cities for police
52 duty who holds a rank or position for which an annual salary range is provided in section
53 84.480 or 84.510, RSMo; in case of dispute as to whether any person is a police officer
54 qualified for membership in the retirement system, the decision of the board of police
55 commissioners shall be final;

56 (16) "Retirement board" or "board", the board provided in section 86.920 to
57 administer the retirement system;

58 (17) "Retirement system", the police retirement system of the cities as defined in
59 section 86.910;

60 (18) "Surviving spouse", when determining whether a person is entitled to benefits
61 under sections 86.900 to 86.1280 by reason of surviving a member, shall include only:

62 (a) A person who was married to a member at the time of the member's death in
63 the line of duty or from an occupational disease arising out of and in the course of the
64 member's employment and who had not, after the member's death and prior to August 28,
65 2000, remarried;

66 (b) With respect to a member who retired or died prior to August 28, 1997, a
67 spouse who survives such member, whose marriage to such member occurred at least two
68 years before the member's retirement or at least two years before the member's death
69 while in service, and who had not remarried anyone other than the member prior to
70 August 28, 2000;

71 (c) With respect to a member who retired or died while in service after August 28,
72 1997, and before August 28, 2000, a spouse who survives such member, was married to
73 such member at the time of such member's retirement or of such member's death while in
74 service, and had not, after the member's death and prior to August 28, 2000, remarried;
75 and

76 (d) With respect to a member who retires or dies in service after August 28, 2000,
77 a spouse who survives a member and was married to such member at the time of such
78 member's retirement or death while in service.

86.910. In all cities that now have or may hereafter attain a population of more
2 than three hundred thousand and less than seven hundred thousand inhabitants according
3 to the last preceding federal decennial census, there are hereby created and established
4 retirement or pension systems for the purpose of providing retirement allowances for
5 police officers of such cities. Any city which has established a police retirement system
6 under the provisions of sections 86.370 to 86.497 or sections 86.900 to 86.1280 may elect to
7 continue its police retirement system under the provisions of sections 86.900 to 86.1280
8 even though the city may cease to have the population described in this section, and any
9 city so electing to continue its established police retirement system shall be excused from
10 creating or maintaining any other police retirement system under any other provisions of
11 the Missouri statutes. Each system shall be under the management of a retirement board
12 to be known as the "Police Retirement System of (name of city)", and by such name all of
13 its business shall be transacted, and all of its cash and other property held. The retirement
14 systems so created shall begin operation on the effective date of sections 86.370 to 86.497.

86.920. The general administration and the responsibility for the proper operation
2 of the retirement system and for making effective the provisions of sections 86.900 to
3 86.1280 are hereby vested in a retirement board of nine persons.

86.930. 1. The retirement board shall be constituted as follows:

2 (1) Two members, one of whom shall be of the political party casting the highest
3 number of votes statewide for governor in the election next preceding such member's
4 selection and the other of whom shall be of the political party casting the next highest
5 number of votes statewide for governor at the election next preceding such member's
6 selection, shall be selected by the board of police commissioners of such cities to serve one-

7 and two-year terms respectively. All such subsequent members shall serve for terms of two
8 years each or to fill an unexpired term;

9 (2) Two members, one of whom shall be of the political party casting the highest
10 number of votes statewide for governor in the election next preceding such member's
11 selection and the other of whom shall be of the political party casting the next highest
12 number of votes statewide for governor at the election next preceding such member's
13 selection, shall be selected by the city council of such city, one of whom may be the director
14 of finance of such city to act as ex officio member, and the other to serve for a term of two
15 years; and

16 (3) Five members shall be elected for three-year terms respectively or to fill an
17 unexpired term in annual elections in which each member of the police retirement system,
18 each person receiving benefits as a surviving spouse of a member of the police retirement
19 system, and, if such city has established a civilian employees' retirement system of the
20 police department of such city pursuant to the provisions of sections 86.1310 to 86.1640,
21 each member of such civilian employees' retirement system and each person receiving
22 benefits as a surviving spouse of a member of such civilian employees' retirement system
23 shall be entitled to one vote.

24 2. Commencing with the first annual election for members of the retirement board
25 in 2004, the five elected members of the board shall be designated and elected as follows:

26 (1) If a city has established a civilian employees' retirement system of the police
27 department of such city under the provisions of sections 86.1310 to 86.1640, the elected
28 members of the retirement board of such city shall consist of three restricted members and
29 two open members:

30 (a) One restricted member shall be a member of the police retirement system who
31 has retired from active service with the police department as of the date of such member's
32 election to the board;

33 (b) One restricted member shall be a member of the police retirement system who,
34 as of the date of such member's election to the board, is in active service as a police officer
35 and has not attained the rank of sergeant or higher; and

36 (c) One restricted member shall be a member of the civilian employees' retirement
37 system of the police department of such city.

38

39 There shall be no required qualifications for open members. At the annual election in 2004
40 and each third year thereafter, one open member shall be elected to a three-year term. At
41 the annual election in 2005 and each third year thereafter, one open member shall be
42 elected to a three-year term. At the annual election in 2006 and each third year thereafter,

43 the three restricted members shall be elected to a three-year term. Such elections shall be
44 conducted simultaneously but as elections for three separate offices, in which only persons
45 qualified for a respective office may be a candidate for such office;

46 (2) If a city has not established a civilian employees' retirement system of the police
47 department of such city under the provisions of sections 86.1310 to 86.1640, the elected
48 members of the retirement board of such city shall consist of two restricted members and
49 three open members. All provisions of subdivision (1) of this subsection shall apply, except
50 that the restricted membership provided for a member of a civilian employees' retirement
51 system shall be an open membership;

52 (3) In every election in which more than one position is to be filled, either for a
53 three-year term or for the unexpired portion of the term of a position which has become
54 vacant, every candidate in such election must declare the position to which such candidate
55 desires to be elected; and no person may be a candidate for more than one such position
56 in any given election;

57 (4) Any person elected to a restricted position on the retirement board who at the
58 time of such election meets the qualifications for such position shall be deemed to continue
59 to meet such qualifications throughout the term to which such person was elected,
60 regardless of any change in the rank, classification or other employment status of such
61 person.

62 3. If a vacancy occurs in the office of a member of the retirement board the vacancy
63 shall be filled for the unexpired term in the same manner as the vacated office was
64 previously filled.

65 4. Each member of the retirement board shall, within ten days after appointment
66 or election, take an oath of office that such member will diligently and honestly administer
67 the affairs of the board, and will not knowingly violate or willingly permit to be violated
68 any of the provisions of the law applicable to the police retirement system. Such oath shall
69 be signed by the member and filed with the clerk of such city.

86.940. Each member of the retirement board shall be entitled to one vote in the
2 decisions of the board. Five votes or more in favor shall be necessary to pass a motion by
3 the retirement board at any meeting of the board.

86.950. 1. Subject to the limitations of sections 86.900 to 86.1280, the retirement
2 board shall from time to time establish policies for the administration of its assets, for the
3 transaction of its business and for the conduct of nominations and elections of the elected
4 members of the retirement board.

5 2. The retirement board shall elect from its membership a chairman, a vice
6 chairman, and a treasurer, and shall by majority vote of its members appoint a secretary,

7 who may be, but need not be, one of its members. The offices of secretary and of treasurer
8 shall not be held by the same person. The retirement board may employ such actuarial,
9 legal, and other services as may be necessary to transact the business of the retirement
10 system. The compensation of all persons employed by the retirement board and all other
11 expenses of the board necessary for the operation of the retirement system shall be paid in
12 such manner as the retirement board shall determine; provided that the compensation of
13 such persons as may be employed by the retirement board shall not be greater than the
14 compensation paid for comparable abilities by the governments of the cities in which the
15 retirement board is located.

86.951. The retirement board shall be deemed to be a state agency within the
2 meaning of chapter 536, RSMo. Any rule or portion of a rule, as that term is defined in
3 section 536.010, RSMo, that is created under the authority delegated in sections 86.900 to
4 86.1280 shall become effective only if it complies with and is subject to all of the provisions
5 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
6 536, RSMo, are nonseverable and if any of the powers vested with the general assembly
7 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
8 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
9 authority and any rule proposed or adopted after August 28, 2005, shall be invalid and
10 void.

86.960. 1. The retirement board shall keep in convenient form such data as is
2 necessary for administration of the retirement system. The retirement board shall keep
3 a record of all its proceedings which shall be open to public inspection.

4 2. The retirement board shall publish annually a statement reporting the operations
5 of the retirement system for the year, including income and disbursements during the year
6 and the financial condition of the retirement system at the end of the year, including
7 actuarial valuation and valuations of its assets and liabilities as of April thirtieth of each
8 year. Such statement shall be consistent with results reviewed and approved by
9 independent certified public accountants selected by the board. One copy of the annual
10 report shall be delivered to each member of the retirement board and each member of the
11 board of police commissioners, and one copy shall be filed with the city clerk. Copies of
12 the report shall be made conveniently available to each member of the retirement system.

13 3. The retirement board shall cause an actuarial study and calculation to be made
14 annually based upon the experiences of the retirement system by an independent firm of
15 pension actuaries.

16 **4. The retirement board shall appoint a medical board of not more than three**
17 **physicians, each of whom shall serve at the pleasure of the retirement board, to arrange**
18 **for and conduct medical examinations as requested by the retirement board.**

19 **5. The retirement board shall adopt a common seal.**

86.970. The members of the retirement board shall be compensated in full for all
2 **services rendered under the provisions of sections 86.900 to 86.1280 at the rate of ten**
3 **dollars per business session actually attended but no member shall be so compensated in**
4 **an amount exceeding one hundred fifty dollars in any fiscal year regardless of the amount**
5 **of services rendered or the number of business sessions actually attended. The members**
6 **of the board shall be reimbursed from the funds of the police retirement system for all**
7 **necessary expenses which they may incur on such board, in addition to their compensation**
8 **for services.**

86.980. Each member of the retirement board who is in active service with the
2 **police department of a city as either a police officer, as defined in section 86.900, or as an**
3 **employee, as defined in section 86.1310, shall be granted authorized leave with pay by such**
4 **police department to attend any and all educational seminars and like functions that have**
5 **been authorized by the retirement board, including travel time to and from such functions,**
6 **not to exceed ten days in any calendar year. Leave granted under this section shall not**
7 **reduce vacation or other authorized leave time to which such member may be entitled**
8 **without reference to this section.**

86.990. The retirement board shall before January tenth of each year certify to the
2 **chief financial officer of such city the amount to be paid by the city under the retirement**
3 **pension system for the succeeding fiscal year, as otherwise provided by sections 86.900 to**
4 **86.1280.**

86.1000. 1. The city shall contribute to the pension fund quarter-annually or at
2 **such lesser intervals as may be agreed upon by the city and the retirement board. Such**
3 **contribution shall be in addition to and separate from the appropriations made by the city**
4 **for the operation of the police department. For each fiscal year of the operation of the**
5 **pension system, the city's contribution to the pension fund shall be a percentage of the**
6 **compensation paid to members of the pension system from which a member's deduction**
7 **has been made under section 86.1010. The city's contribution shall be such percentage as**
8 **shall be agreed upon by the board of police commissioners and the city, but in no event**
9 **shall such contribution be less than twelve percent.**

10 **2. On or before the tenth day of January of each year the retirement board shall**
11 **certify to the board of police commissioners the amount of money that will likely be**
12 **required to comply with the provisions of this section during the next succeeding fiscal year**

13 including administration expenses. The amounts so certified shall be included by the
14 board of police commissioners in their annual budget estimate, and shall be appropriated
15 by the cities and transferred to the pension fund during the ensuing fiscal year.

86.1010. The board of police commissioners shall cause to be deducted from the
2 compensation of each member until retirement a percentage of such member's
3 compensation, which shall not be less than six percent, as determined by the retirement
4 board, as such member's contribution to the pension fund. The sum so deducted shall be
5 paid by the board of police commissioners promptly after each payroll to the retirement
6 board to be credited to the member's account. Every member shall be deemed to consent
7 to the deductions made and provided for herein. The board of police commissioners shall
8 certify to the retirement board on every payroll the amount deducted, and such amounts
9 shall be paid into the pension fund and shall be credited to the individual pension account
10 of the member from whose compensation such deduction was made.

86.1020. 1. The retirement board shall act as trustee of the funds created by or
2 collected under the provisions of sections 86.900 to 86.1280. With appropriate safeguards
3 against loss by the retirement system, the board may designate one or more banks or trust
4 companies to serve as a depository of retirement system funds, and as an intermediary in
5 the investment of those funds and payment of system obligations. The board shall
6 promptly deposit the funds with any such designated bank or trust company.

2. The retirement board shall have power, in the name and on behalf of the
8 retirement pension system, to purchase, acquire, hold, invest, lend, lease, sell, assign,
9 transfer, and dispose of all property, rights, and securities, and enter into written
10 contracts, all as may be necessary or proper to carry out the purposes of sections 86.900
11 to 86.1280. No investment transaction authorized by the retirement board shall be handled
12 by any company or firm in which a member of the board has an interest, nor shall any
13 member of the board profit directly or indirectly from any such investment. All
14 investments shall be made for the account of the retirement system, and any securities or
15 other properties obtained by the retirement board may be held by a custodian in the name
16 of the retirement system, or in the name of a nominee in order to facilitate the expeditious
17 transfer of such securities or other properties. Such securities or other properties may be
18 held by such custodian in bearer form or in book entry form. The retirement system is
19 further authorized to deposit, or have deposited for its account, eligible securities in a
20 central depository system or clearing corporation or in a federal reserve bank under a
21 book entry system as defined in the uniform commercial code, sections 400.8-102 and
22 400.8-117, RSMo. When such eligible securities of the retirement system are so deposited
23 with the central depository system they may be merged and held in the name of the

24 nominee of such securities depository and title to such securities may be transferred by
25 bookkeeping entry on the books of such securities depository or federal reserve bank
26 without physical delivery of the certificates or documents representing such securities.

27 **3. The retirement board may contract with a bank or trust company to act as the**
28 **custodian of bonds and securities acquired by the board, in which case the retirement**
29 **board may authorize such custodian bank or trust company to order purchases, loans or**
30 **sales of investments by such custodian bank or trust company, and may also appoint one**
31 **or more investment managers to manage investments of the retirement pension system and**
32 **in the course of such management to order purchases, loans, or sales of investments by**
33 **such custodian bank or trust company, subject to such limitations, reporting requirements**
34 **and other terms and restrictions as the retirement board may include in the terms of each**
35 **such appointment. The income from investments shall be credited to the funds of the**
36 **retirement system at frequent intervals satisfactory to the retirement board. All payments**
37 **from the funds shall be made by the bank or trust company only upon orders signed by the**
38 **secretary and treasurer of the retirement board, except as otherwise provided in this**
39 **subsection. No order shall be drawn unless it shall have previously been allowed by a**
40 **specific or an ongoing generalized resolution of the retirement board. In the case of**
41 **payments for benefits, services, supplies or similar items in the ordinary course of business,**
42 **such board resolutions may be ongoing generalized authorizations, provided that each**
43 **payment other than payments to members or beneficiaries for benefits shall be reported**
44 **to the board at its next following meeting and shall be subject to ratification and approval**
45 **by the board.**

46 **4. Before assuming the duties of the office, the secretary and treasurer shall each**
47 **be bonded for an amount determined by the retirement board at the cost of the retirement**
48 **system, conditioned upon the faithful performance of the duties as such officer, and to**
49 **account for all moneys, securities, and property which may come into their respective**
50 **hands or under their respective control by virtue of such office, with a corporate surety**
51 **duly licensed to transact business in this state. Such bonds shall be subject to the approval**
52 **of the presiding judge of the circuit court of the county in which such cities are located.**

86.1030. All benefits and all necessary administrative expenses of the retirement
2 **system shall be paid from the funds of the retirement system.**

86.1040. The right of any person to pension or pensions, to the return of
2 **contributions, disability or death benefits, or any other right accrued or accruing to any**
3 **person under the provisions of sections 86.900 to 86.1280 and the moneys in the various**
4 **funds created under sections 86.900 to 86.1280 shall not be subject to execution,**
5 **garnishment, attachment, or any other process whatsoever, and shall be unassignable**

6 except as specifically provided in sections 86.900 to 86.1280, and except for court orders
7 or assignments approved by a court to provide support for family members or a former
8 spouse of any person entitled to benefits under sections 86.900 to 86.1280. The moneys in
9 the various funds created under sections 86.900 to 86.1280 are hereby exempt from any tax
10 of the state of Missouri or of any municipality or political subdivision thereof. A revocable
11 request or authorization by a member or a beneficiary to withhold and apply for the
12 requester's convenience some portion or all of a benefit payment shall not be deemed an
13 assignment prohibited under this section provided that any such request shall remain
14 revocable at all times except as to payments or withholdings effected prior to any such
15 revocation. The retirement system may, but shall not be obligated to, comply with any
16 such request.

86.1050. Nothing contained in sections 86.900 to 86.1280 shall in any way limit the
2 criminal liability of any person subject to prosecution under any law which is now or may
3 hereafter be in force. Should any change or error in records result in any member or
4 beneficiary receiving from the pension system more or less than such person would have
5 been entitled to receive had the records been correct, the retirement board shall correct
6 such error and, as far as practicable, shall adjust the payments in such a manner that the
7 benefit to which said member or beneficiary was correctly entitled shall be paid.

86.1060. 1. The retirement board may sue and be sued in its own name. Such suits
2 shall constitute suits by or against the members of the retirement board in their
3 representative capacities and not as individuals.

4 2. Service of process on the retirement board shall be sufficient if ten copies of the
5 pleading or other document to be served shall be served upon the secretary of the
6 retirement board at the principal office of the retirement system during business hours.

86.1070. 1. In any hearing conducted by the retirement board, the board's findings
2 on all issues of fact shall be final and conclusive upon all parties concerned when such
3 findings are supported by competent and substantial evidence.

4 2. Any ruling of the retirement board on a question of law and whether the same
5 is supported by substantial evidence shall, at the option of the plaintiff, be reviewed upon
6 application of any party by the circuit court of Cole County, or in the county of the
7 residence of the plaintiff or one of the plaintiffs, or in the county in which the principal
8 office of the retirement system is located.

86.1080. 1. The retirement board may purchase with retirement system assets from
2 one or more insurers licensed to do business in this state one or more insurance policies
3 that provide for reimbursement of the retirement system and any trustee, member of the
4 retirement board, officer, or employee of the retirement system for liability imposed or

5 damages because of an alleged act, error, or omission committed in the trustee's, board
6 member's, officer's, or employee's capacity as a fiduciary, officer, or employee of the
7 retirement system and for costs and expenses, including attorney fees, incurred as a trustee,
8 board member, officer, or employee in defense of a claim for an alleged act, error, or
9 omission, as long as the insurance policy does not provide for reimbursement of a trustee,
10 board member, officer, or employee for liability imposed or expenses incurred because of
11 the trustee's, board member's, officer's, or employee's personal dishonesty, fraud, lack of
12 good faith, or intentional failure to act prudently.

13 2. If the insurance coverage described in subsection 1 of this section is insufficient
14 or is not in effect, the retirement board may indemnify any person who was or is a party
15 or is threatened to be made a party to any threatened, pending or completed action, suit,
16 or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact
17 that the person is or was a member of the retirement board, or is or was serving at the
18 request of the retirement board in the capacity which caused the person's relationship to
19 such action, suit, or proceeding, against expenses, including attorneys' fees, judgments,
20 fines, and amounts paid in settlement actually and reasonably incurred by the person in
21 connection with such action, suit, or proceeding, if the person acted in good faith and
22 without willful malfeasance, and, with respect to any criminal action or proceeding, had
23 reasonable cause to believe the relevant conduct was lawful. The termination of any action,
24 suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo
25 contendere or its equivalent, shall not, of itself, create a presumption that the person did
26 not act in good faith, or, with respect to any criminal action or proceeding, that the person
27 did not have reasonable cause to believe that the relevant conduct was lawful.

28 3. To the extent that a member of the retirement board has been successful on the
29 merits or otherwise in defense of any action, suit, or proceeding referred to in subsections
30 1 and 2 of this section, or in defense of any claim, issue, or matter therein, the person shall
31 be indemnified against expenses, including attorneys' fees, actually and reasonably
32 incurred in connection with the action, suit, or proceeding that are not covered by the
33 insurance described in subsection 1 of this section.

34 4. Any indemnification under this section, unless ordered by a court, shall be made
35 by the retirement board only as authorized in each specific case upon a determination that
36 indemnification of any person potentially entitled to indemnification hereunder is proper
37 in the circumstances because the person has met the applicable standard of conduct set
38 forth in this section. The determination shall be made by the retirement board by a
39 majority vote of a quorum consisting of members of the retirement board who are not
40 parties to the action, suit, or proceeding, or if such a quorum is not obtainable, or even if

41 obtainable and a quorum of disinterested members of the retirement board so directs, by
42 independent legal counsel in a written opinion. Such legal counsel may but need not be
43 counsel to the retirement system.

44 **5. Expenses incurred in defending a civil or criminal action, suit, or proceeding**
45 **may be paid by the retirement board in advance of the final disposition of the action, suit,**
46 **or proceeding as authorized by the retirement board in the specific case upon receipt of an**
47 **undertaking by or on behalf of the person potentially entitled to indemnification hereunder**
48 **to repay such amount unless it shall ultimately be determined that the person is entitled to**
49 **be indemnified by the retirement board as authorized in this section.**

86.1090. 1. All persons who enter or reenter the service of the such cities as police
2 **officers for compensation after the date this police retirement system becomes effective,**
3 **shall become members thereof as a condition of their employment.**

4 **2. Members of the police retirement system shall receive no retirement or pension**
5 **allowance from any other retirement or pension system supported wholly or in part by**
6 **such cities or the state of Missouri, nor shall they be required to make contributions under**
7 **any other retirement or pension system of such cities or the state.**

8 **3. Nothing in sections 86.900 to 86.1280 shall be construed to prevent the**
9 **inauguration of the federal Social Security laws for police officers, nor to prevent the**
10 **contribution to such Social Security administration or fund established by the federal**
11 **government, nor by it the pensioning of such police officers. In the event that federal**
12 **Social Security benefits are made available to police officers covered by sections 86.900 to**
13 **86.1280, then any benefits payable to any member or the dependents of such member**
14 **under sections 86.900 to 86.1280 shall be in addition to the amount of such Social Security**
15 **benefits, and any contributions required by a member under this section shall be in**
16 **addition to the amount of such member's contribution under such Social Security system.**

86.1100. 1. The retirement board shall fix and determine by proper rules and
2 **regulations how much service in any year is equivalent to one year of service. In no case**
3 **shall more than one year of service be creditable for all service rendered in one calendar**
4 **year. The retirement board shall not allow credit as service for any period of more than**
5 **thirty consecutive days during which the member was absent without compensation, except**
6 **as provided in subsection 3 of section 86.1140.**

7 **2. Creditable service at retirement on which the retirement allowance of a member**
8 **is based consists of the membership service rendered by such member since such member**
9 **last became a member.**

10 **3. Creditable service also includes any prior service credit to which a member may**
11 **be entitled by virtue of an authorized purchase of such credit or as otherwise provided in**
12 **sections 86.900 to 86.1280.**

13 **4. Creditable service shall not include any time a member was suspended from**
14 **service without compensation. No contribution is required from either the member under**
15 **section 86.1010 or from the city under section 86.1000 for such time.**

16 **5. Any member who has completed thirty years of creditable service may continue**
17 **in service by permission of the board of police commissioners. Contributions shall not be**
18 **required of, and no service shall be credited to, any member for more than thirty years of**
19 **service.**

86.1110. 1. Whenever a member is given a leave of absence for military service and
2 **returns to employment after discharge from the service, such member shall be entitled to**
3 **creditable service for the years of employment prior to the leave of absence.**

4 **2. Any member who served on active duty in the armed forces of the United States**
5 **and who became a member, or returned to membership, after discharge under honorable**
6 **conditions, may elect prior to retirement to purchase creditable service equivalent to such**
7 **service in the armed forces, not to exceed two years, provided the member is not receiving**
8 **and is not eligible to receive retirement credits or benefits from any other public or private**
9 **retirement plan for the service to be purchased, other than a United States military service**
10 **retirement system or United States Social Security benefits attributable to such military**
11 **service, and an affidavit so stating is filed by the member with the retirement system. A**
12 **member electing to make such purchase shall pay to the retirement system an amount**
13 **equal to the actuarial value of the additional benefits attributable to the additional service**
14 **credit to be purchased, as of the date the member elects to make such purchase. The**
15 **retirement system shall determine such value using accepted actuarial methods and the**
16 **same assumptions with respect to interest rates, mortality, future salary increases, and all**
17 **related factors used in performing the most recent regular actuarial valuation of the**
18 **retirement system. Payment in full of the amount due from a member electing to purchase**
19 **creditable service under this subsection shall be made over a period not to exceed five**
20 **years, measured from the date of election, or prior to the commencement date for payment**
21 **of benefits to the member from the retirement system, whichever is earlier, including**
22 **interest on unpaid balances compounded annually at the interest rate assumed from time**
23 **to time for actuarial valuations of the retirement system. If payment in full including**
24 **interest is not made within the prescribed period, any partial payments made by the**
25 **member shall be refunded, and no creditable service attributable to such election, or as a**
26 **result of any such partial payments, shall be allowed; provided that if a benefit**

27 commencement date occurs because of the death or disability of a member who has made
28 an election under this subsection and if the member is current in payments under an
29 approved installment plan at the time of the death or disability, such election shall be valid
30 if the member, the surviving spouse, or other person entitled to benefit payments pays the
31 entire balance of the remaining amount due, including interest to the date of such payment,
32 within sixty days after the member's death or disability. The time of a disability shall be
33 deemed to be the time when such member is retired by the board of police commissioners
34 for reason of disability as provided in sections 86.900 to 86.1280.

86.1120. Members who terminate membership with five years or more of creditable
2 service and later return to membership may be given credit toward retirement for prior
3 creditable service, subject to the condition that such member deposit in the pension fund
4 a sum equal to the accumulated contributions which had been paid to such member upon
5 the prior termination. Such repayment of withdrawn contributions shall be accompanied
6 by an additional payment of interest equal to the amount of the actual net yield earned or
7 incurred by the pension fund, including both net income after expenses and net
8 appreciation or depreciation in values of the fund, whether realized or unrealized, during
9 the period of time from the date upon which such contributions had been withdrawn to the
10 date of repayment thereof, determined in accordance with such rules for valuation and
11 accounting as may be adopted by the retirement board for such purposes.

86.1130. Each person who becomes a member of the police retirement system under
2 the provisions of sections 86.900 to 86.1280 shall remain a member until the earliest to
3 occur of the following events:

- 4 (1) The termination of service of such person and the payment to such person of all
5 benefits due such person under the provisions of sections 86.900 to 86.1280; or
- 6 (2) The death of such person.

86.1140. 1. Should any member be granted leave of absence by the board of police
2 commissioners, such member shall not, because of such absence, cease to be a member.

3 2. If a member is on leave of absence by authority of the board of police
4 commissioners for thirty consecutive days or less, such member shall receive creditable
5 service for such time.

6 3. If a member is on leave of absence for more than thirty consecutive days without
7 compensation, such member shall not receive service credits for such time unless such
8 member shall, within one year after returning from such absence, pay into the retirement
9 system an amount equal to the member's contribution percentage at the time such absence
10 began times an assumed salary figure for the period of such absence, computed by

11 assuming that such member received a salary during such absence at the rate of the base
12 annual salary the member was receiving immediately prior to such absence.

86.1150. 1. Any member may retire when such member has completed twenty-five
2 or more years of creditable service and, except as otherwise provided in section 86.1100,
3 shall retire when such member has completed thirty years of creditable service. Upon such
4 retirement such member shall receive a base pension equal to:

5 (1) For a member retiring prior to August 28, 2000, two percent of such member's
6 final compensation, as defined in section 86.900, multiplied by the number of years of such
7 member's total creditable service; or

8 (2) For a member retiring on or after August 28, 2000, two and one-half percent of
9 such member's final compensation, as defined in section 86.900, multiplied by the number
10 of years of such member's total creditable service. Such pension shall not exceed seventy-
11 five percent of the member's final compensation.

12 2. Every member not having thirty years of service must retire at sixty years of age
13 except that on recommendation of the chief of police, the board of police commissioners
14 may permit such member who is sixty years of age or over to remain in service until such
15 member reaches the age of sixty-five years. Such member shall continue to make
16 contributions and receive credit for service until reaching sixty-five years of age, until
17 retirement, or until completion of thirty years of creditable service, whichever occurs first.
18 If such member shall reach sixty-five years of age or shall retire prior to completion of
19 twenty-five years of service, the base pension of such member shall be calculated under
20 subsection 3 of this section.

21 3. Except as provided in section 86.1100 or in subsection 2 of this section, any
22 member in service who shall have attained sixty years of age and at that time shall have
23 completed at least ten but less than thirty years of creditable service shall retire and shall
24 receive a base pension equal to:

25 (1) For a member retiring prior to August 28, 2000, two percent of such member's
26 final compensation, as defined in section 86.900, multiplied by the number of years of such
27 member's total creditable service; or

28 (2) For a member retiring on or after August 28, 2000, two and one-half percent of
29 such member's final compensation as defined in section 86.900 multiplied by the number
30 of years of such member's total creditable service.

31 4. Subject to the provisions of subsection 5 of this section, whenever the service of
32 a member is terminated for any reason prior to death or retirement and the member has
33 fifteen or more years of creditable service, the member may elect not to withdraw such

34 member's accumulated contributions and shall become entitled to a base pension beginning
35 at the age of fifty-five, if then living, equal to:

36 (1) For a member whose service so terminates prior to August 28, 2001, two percent
37 of such member's final compensation multiplied by the number of years of such member's
38 creditable service; or

39 (2) For a member whose service so terminates on or after August 28, 2001, two and
40 one-half percent of such member's final compensation multiplied by the number of years
41 of such member's creditable service.

42 5. Notwithstanding any other provisions of sections 86.900 to 86.1280, any member
43 who is convicted of a felony prior to separation from active service shall not be entitled to
44 any benefit from this retirement system except the return of such member's accumulated
45 contributions.

86.1160. Whenever a member's service is terminated for any reason prior to death
2 or retirement and such member has less than fifteen years of creditable service, or a
3 member's service is terminated after conviction of a felony, or a member's service is
4 terminated for any reason and such member requests the withdrawal of all such member's
5 accumulated contributions to the retirement system, such member shall be paid the amount
6 of such member's accumulated contributions in one lump sum, without interest, and such
7 payment shall be in lieu of any and all other benefits to which such member or any
8 beneficiary or survivor thereof might otherwise be or become entitled under sections
9 86.900 to 86.1280.

86.1170. Any member who retires after August 28, 2000, who is entitled to a
2 pension benefit under the provisions of sections 86.900 to 86.1280 and who either has at
3 least twenty-five years of creditable service or is retired as a result of an injury or illness
4 occurring in the line of duty or course of employment under section 86.1180, shall receive
5 a pension benefit which, without including any supplemental retirement benefits paid such
6 member by the retirement system, shall be not less than six hundred dollars monthly. Any
7 member who retired on or before August 28, 2000, who is entitled to a pension benefit
8 under the provisions of sections 86.900 to 86.1280 and who either had at least twenty-five
9 years of creditable service or was retired as a result of an injury or illness occurring in the
10 line of duty or course of employment under section 86.1180, shall upon application to the
11 retirement board be appointed by the retirement board as a consultant and shall,
12 beginning the later of August 28, 2000, or the time of such appointment under this section
13 or a previously applicable statute, be compensated in an amount which, without including
14 any supplemental retirement benefits provided by this system, shall be not less than six
15 hundred dollars monthly. A pension benefit under this section shall be paid in lieu of such

16 member's base pension as increased by cost-of-living adjustments granted under section
17 86.1220. The benefit under this section shall not be subject to cost-of-living adjustments,
18 but shall be terminated and replaced by the member's base pension and cost-of-living
19 adjustments at such time as the total base pension and such adjustments exceed six
20 hundred dollars monthly.

2 86.1180. 1. Any member who is permanently unable to perform the full and
3 unrestricted duties of a police officer as the natural, proximate, and exclusive result of an
4 accident occurring within the actual performance of duty at some definite time and place
5 or through an occupational disease arising exclusively out of and in the course of his or her
6 employment shall be retired by the board of police commissioners upon certification by one
7 or more physicians of the medical board that the member is mentally or physically unable
8 to perform the full and unrestricted duties of a police officer, that the inability is
9 permanent or likely to become permanent, and that the member should be retired. The
10 inability to perform the full and unrestricted duties of a police officer means that the
11 member is unable to perform all the essential job functions for the position of police officer
12 as established by the board of police commissioners.

13 2. Upon such retirement on or after August 28, 2001, a member shall receive a base
14 pension equal to seventy-five percent of his or her final compensation for so long as the
15 permanent disability shall continue, during which time such member shall for purposes of
16 this section be referred to as a disability beneficiary. Such pension may be subject to offset
17 or reduction under section 86.1190 by amounts paid or payable under any workers'
18 compensation law.

19 3. Once each year during the first five years following his or her retirement, and
20 at least once in every three-year period thereafter, the retirement board may, and upon the
21 member's application shall, require any disability beneficiary who has not yet attained the
22 age of sixty years to undergo a medical examination at a place designated by the medical
23 board or some member thereof. If any disability beneficiary who has not attained the age
24 of sixty years refuses to submit to a medical examination his or her disability pension may
25 be discontinued until his or her withdrawal of such refusal, and if his or her refusal
26 continues for one year, all rights in and to such pension may be revoked by the retirement
27 board.

28 4. If one or more members of the medical board certify to the retirement board that
29 a disability beneficiary is able to perform the full and unrestricted duties of a police officer,
30 and if the retirement board concurs on the report, then such beneficiary's disability
pension shall cease.

31 **5. If upon cessation of a disability pension under subsection 4 of this section, the**
32 **former disability beneficiary is restored to active service, such member shall contribute to**
33 **this retirement system thereafter at the same rate as other members. Upon subsequent**
34 **retirement, such member shall be credited with all his or her creditable service, including**
35 **any years in which such member received a disability pension under this section.**

36 **6. If upon cessation of a disability pension under subsection 4 of this section, the**
37 **former disability beneficiary is not restored to active service, such member shall be entitled**
38 **to the retirement benefit to which such member would have been entitled if such member**
39 **had terminated service at the time of such cessation of the disability pension. For the**
40 **purpose of such retirement benefits, such former disability beneficiary will be credited**
41 **with all his or her creditable service, including any years in which such member received**
42 **a disability pension under this section.**

86.1190. 1. Any periodic payment, excluding payments for medical treatment,
2 **which may be paid or payable by cities under the provisions of any workers' compensation**
3 **or similar law to a member or to the dependents of a member on account of any disability**
4 **or death shall be offset against any benefits payable to the recipient of the workers'**
5 **compensation payments from funds provided by cities under the provisions of sections**
6 **86.900 to 86.1280 on account of the same disability or death; except that, amounts payable**
7 **under subsection 1 of section 86.1250 and section 86.1260 shall not be offset or reduced by**
8 **any amount paid or payable under any workers' compensation or similar law. However,**
9 **in no event shall the amount paid from funds under the provisions of sections 86.900 to**
10 **86.1280 be less than the amount which represents the member's percentage, as defined in**
11 **this section, of total benefits payable under sections 86.900 to 86.1280, other than under**
12 **subsection 1 of section 86.1250 and section 86.1260 and before any offset for workers'**
13 **compensation benefits.**

14 **2. Any lump sum amount, excluding payments for medical treatments, which may**
15 **be paid or payable by the cities under the provisions of any workers' compensation or**
16 **similar law to a member or to the dependents of a member on account of any disability or**
17 **death shall be offset against any benefits payable from funds provided by cities under the**
18 **provisions of sections 86.900 to 86.1280 on account of the same disability or death; except**
19 **that, amounts payable under subsection 1 of section 86.1250 and section 86.1260 shall not**
20 **be offset or reduced by any amounts paid or payable under any workers' compensation or**
21 **similar law. The amount by which each periodic payment made under the provisions of**
22 **sections 86.900 to 86.1280 is offset or reduced shall be computed as the periodic amount**
23 **necessary to amortize as an annuity over the period of time represented by the respective**
24 **workers' compensation benefits the total amount of the lump sum settlement received as**

25 a workers' compensation benefit by a beneficiary of the retirement system. Such
26 computation shall be based upon the same interest rate and mortality assumptions as used
27 for the retirement system at the time of such computation. However, in no event shall the
28 amount paid from funds under the provisions of sections 86.900 to 86.1280 be less than the
29 amount which represents the member's percentage, as defined in this section, of total
30 benefits payable under sections 86.900 to 86.1280, other than under subsection 1 of section
31 86.1250 and section 86.1260 and before any offset for workers' compensation benefits.

32 3. As used in this section, the term "member's percentage" shall be the fraction of
33 which the numerator is the percentage of compensation contributed by a working member
34 to the retirement pension system under section 86.1010 during the pay period immediately
35 preceding such member's death or disability which created entitlement to benefits and the
36 denominator is the sum of the percentages of a member's compensation contributed by a
37 working member under section 86.1010 and the city under section 86.1000 to the
38 retirement pension system during such pay period. Such percentage shall identify the
39 portion of any benefits due under the provisions of sections 86.900 to 86.1280 which is
40 deemed to have been provided by the member's own contributions.

86.1200. 1. Any member who has completed ten or more years of creditable service
2 and who has become permanently unable to perform the full and unrestricted duties of a
3 police officer as the result of an injury or illness not exclusively caused or induced by the
4 actual performance of his or her official duties or by his or her own negligence shall be
5 retired by the board of police commissioners upon certification by one or more physicians
6 of the medical board of the retirement board that the member is mentally or physically
7 unable to perform the full and unrestricted duties of a police officer, that the inability is
8 permanent or likely to become permanent, and that the member should be retired. The
9 inability to perform the full and unrestricted duties of a police officer means that the
10 member is unable to perform all the essential job functions for the position of police officer
11 as established by the board of police commissioners.

12 2. Upon such retirement on or after August 28, 2001, a member shall receive a base
13 pension equal to two and one-half percent of final compensation multiplied by the number
14 of years of creditable service. Such pension shall be paid for so long as the permanent
15 disability shall continue, during which time such member shall for purposes of this section
16 be referred to as a nonduty disability beneficiary.

17 3. Once each year during the first five years following such member's retirement,
18 and at least once in every three-year period thereafter, the retirement board may, and
19 upon the member's application shall, require any nonduty disability beneficiary who has
20 not yet attained the age of sixty years to undergo a medical examination at a place

21 designated by the medical board. If any nonduty disability beneficiary who has not
22 attained the age of sixty years refuses to submit to a medical examination, his or her
23 nonduty disability pension may be discontinued until his or her withdrawal of such refusal,
24 and if his or her refusal continues for one year, all rights in and to such pension may be
25 revoked by the retirement board.

26 4. If one or more members of the medical board certify to the retirement board that
27 a nonduty disability beneficiary is able to perform the full and unrestricted duties of a
28 police officer, and if the retirement board concurs in the report, then such beneficiary's
29 nonduty disability pension shall cease.

86.1210. 1. Any member entitled to commence a pension under section 86.1150
2 with twenty-six years or more of creditable service may elect an optional distribution under
3 the partial lump sum option plan provided in this section if the member:

4 (1) Notifies the retirement system in writing of the member's retirement date at
5 least ninety days in advance thereof and requests an explanation of the member's rights
6 under this section; and

7 (2) Notifies the retirement system of the member's election hereunder at least thirty
8 days in advance of the member's retirement date.

9
10 Following receipt of an initial notice of a member's retirement date and request for an
11 explanation under this section, the retirement system shall, at least sixty days in advance
12 of such retirement date, provide the member a written explanation of the member's rights
13 under this section and an estimate of the amount by which the member's regular monthly
14 base pension would be reduced in the event of the member's election of any of the options
15 available to the member under this section.

16 2. (1) A member entitled to make an election under this section may elect to receive
17 a lump sum distribution with the member's initial monthly pension payment under section
18 86.1150, subject to all the terms of this section. The member may elect the amount of the
19 member's lump sum distribution from one, but not more than one, of the following options
20 for which the member qualifies:

21 (a) A member having twenty-six or more years of creditable service may elect a
22 lump sum amount equal to twelve times the initial monthly base pension the member would
23 receive if no election were made under this section;

24 (b) A member having twenty-seven or more years of creditable service may elect
25 a lump sum amount equal to twenty-four times the initial monthly base pension the
26 member would receive if no election were made under this section; or

27 (c) A member having twenty-eight or more years of creditable service may elect a
28 lump sum amount equal to thirty-six times the initial monthly base pension the member
29 would receive if no election were made under this section.

30 (2) When a member makes an election to receive a lump sum distribution under
31 this section, the base pension which the member would have received in the absence of the
32 election shall be reduced on an actuarially equivalent basis to reflect the payment of the
33 lump sum distribution, and the reduced base pension shall be the member's base pension
34 thereafter for all purposes relating to base pension amounts under sections 86.900 to
35 86.1280.

36 3. An election under this section to receive a lump sum distribution and reduced
37 monthly base pension shall be void if the member dies before retirement, and in such case
38 amounts due a surviving spouse or other beneficiary of the member shall be determined
39 without regard to such election.

 86.1220. 1. Provided that the retirement system shall remain actuarially sound,
2 each of the following persons may receive each year, in addition to such person's base
3 pension, a cost-of-living adjustment in an amount not to exceed three percent of such
4 person's base pension during any one year:

5 (1) Every member who is retired and receiving a base pension from the retirement
6 system;

7 (2) Every surviving spouse who is receiving a base pension from the retirement
8 system; and

9 (3) Every child who, under subsection 2 of section 86.1250, is receiving the benefit,
10 or a portion thereof, which would be payable to a surviving spouse of the member who was
11 such child's parent.

12 2. Upon the death of a member who has been retired and receiving a pension and
13 who dies after September 28, 1987, the surviving spouse of such member entitled to receive
14 a base pension under section 86.1240 or children of such member entitled to receive a base
15 pension under subsection 2 of section 86.1250 shall receive an immediate percentage cost-
16 of-living adjustment to their respective base pension equal to the total percentage cost-of-
17 living adjustments received during such member's lifetime under this section, except that
18 the adjustment provided by this subsection shall not be made to a base pension calculated
19 under either subdivision (1) or subdivision (2)(b) of subsection 2 of section 86.1240, either
20 for a surviving spouse or for a child or children entitled to a base pension measured by the
21 pension to which a qualified surviving spouse would be entitled, wherein such base pension
22 is determined by a percentage of the amount being received by the deceased member at
23 death.

24 **3. For purposes of this section, the term "base pension" shall mean:**

25 **(1) For a member, the pension computed under the provisions of the law as of the**
26 **date of retirement without regard to cost-of-living adjustments, as adjusted, if applicable,**
27 **for any election made under section 86.1210, but in all events not including any**
28 **supplemental benefit under section 86.1230;**

29 **(2) For a surviving spouse, the base pension calculated for such spouse in**
30 **accordance with the provisions of section 86.1240, including any compensation as a**
31 **consultant to which such surviving spouse is entitled under said section in lieu of a pension**
32 **thereunder, but not including any supplemental benefit under section 86.1230; and**

33 **(3) For a member's surviving child who is entitled to receive part or all of the**
34 **pension which would be received by the surviving spouse, if living, the base pension**
35 **calculated for such surviving spouse in accordance with the provisions of section 86.1240,**
36 **including any compensation as a consultant to which such spouse would be entitled under**
37 **said section, if living, divided by the number of surviving children entitled to share in such**
38 **pension under subsection 2 of section 86.1250.**

39 **4. The cost-of-living adjustment shall be an increase or decrease computed on the**
40 **base pension amount by the retirement board in an amount that the board, in its**
41 **discretion, determines to be satisfactory, but in no event shall the adjustment be more than**
42 **three percent or reduce the pension to an amount less than the base pension. In**
43 **determining and granting the cost-of-living adjustments, the retirement board shall adopt**
44 **such rules and regulations as may be necessary to effectuate the purposes of this section,**
45 **including provisions for the manner of computation of such adjustments and the effective**
46 **dates thereof. The retirement board shall provide for such adjustments to be determined**
47 **once each year and granted on a date or dates to be chosen by the board, and may apply**
48 **such adjustments in full to members who have retired during the year prior to such**
49 **adjustments but who have not been retired for one full year and to the surviving spouse**
50 **or applicable children of a member who has died during the year prior to such**
51 **adjustments.**

52 **5. The determination of whether the retirement system will remain actuarially**
53 **sound shall be made at the time any cost-of-living adjustment is granted. If at any time the**
54 **retirement system ceases to be actuarially sound, pension payments shall continue as**
55 **adjusted by increases theretofore granted. A member of the retirement board shall have**
56 **no personal liability for granting increases under this section if that retirement board**
57 **member in good faith relied and acted upon advice of a qualified actuary that the**
58 **retirement system would remain actuarially sound.**

59 **6. If any benefit under subsection 1 of section 86.1250 on August 27, 2005, would**
60 **be reduced by application of this section, such benefit shall continue thereafter without**
61 **reduction, but any benefit so continued shall terminate at the time prescribed in subsection**
62 **1 of section 86.1250.**

86.1230. 1. Any member who retires subsequent to August 28, 1991, with
2 **entitlement to a pension under sections 86.900 to 86.1280, shall receive each month, in**
3 **addition to such member's base pension and cost-of-living adjustments thereto under**
4 **section 86.1220, and in addition to any other compensation or benefit to which such**
5 **member may be entitled under sections 86.900 to 86.1280, a supplemental retirement**
6 **benefit of fifty dollars per month. The amount of such supplemental retirement benefit**
7 **may be adjusted by cost-of-living adjustments determined by the retirement board not**
8 **more frequently than annually. Such determination shall be based on advice of the plan's**
9 **actuary that the increase in the benefit will not cause the present value of anticipated**
10 **future plan benefits, calculated on the actuarial assumptions used for the most recent**
11 **annual valuation, to exceed the sum of the trust fund assets plus the present value of**
12 **anticipated contributions to the trust fund.**

13 **2. Any member who was retired on or before August 28, 1991, and is receiving**
14 **retirement benefits from the retirement system shall, upon application to the retirement**
15 **board, be retained as a consultant, and for such services such member shall receive each**
16 **month, in addition to such member's base pension and cost-of-living adjustments thereto**
17 **under section 86.1220, and in addition to any other compensation or benefit to which such**
18 **member may be entitled under sections 86.900 to 86.1280, a supplemental compensation**
19 **in the amount of fifty dollars per month. This appointment as a consultant shall in no way**
20 **affect any member's eligibility for retirement benefits under the provisions of sections**
21 **86.900 to 86.1280, or in any way have the effect of reducing retirement benefits otherwise**
22 **payable to such member. The amount of such supplemental compensation under this**
23 **subsection may be adjusted by cost-of-living adjustments determined by the retirement**
24 **board not more frequently than annually. Such determination shall be based on advice of**
25 **the plan's actuary that the increase in the benefit will not cause the present value of**
26 **anticipated future plan benefits, calculated on the actuarial assumptions used for the most**
27 **recent annual valuation, to exceed the sum of the trust fund assets plus the present value**
28 **of anticipated contributions to the trust fund.**

29 **3. In determining and granting the cost-of-living adjustments under this section,**
30 **the retirement board shall adopt such rules and regulations as may be necessary to**
31 **effectuate the purposes of this section, including provisions for the manner of computation**
32 **of such adjustments and the effective dates thereof. The retirement board shall provide**

33 for such adjustments to be determined once each year and granted on a date or dates to be
34 chosen by the board. The retirement board shall not be required to prorate the initial
35 adjustment to any supplemental retirement benefit or any supplemental compensation
36 under this section for any member.

37 **4. For purposes of subsections 1 and 2 of this section, the term "member" shall**
38 **include a surviving spouse entitled to a benefit under sections 86.900 to 86.1280 who shall**
39 **be deemed to have retired for purposes of this section on the date of retirement of the**
40 **member of whom such person is the surviving spouse or on the date of death of such**
41 **member if such member died prior to retirement; provided, that if the surviving spouse of**
42 **any member who retired prior to August 28, 2000, shall not have remarried prior to**
43 **August 28, 2000, but remarries thereafter, such surviving spouse shall thereafter receive**
44 **benefits under subsection 2 of this section, and provided further, that no benefits shall be**
45 **payable under this section to the surviving spouse of any member who retired prior to**
46 **August 28, 2000, if such surviving spouse was at any time remarried after the member's**
47 **death and prior to August 28, 2000. All benefits payable to a surviving spouse under this**
48 **section shall be in addition to all other benefits to which such surviving spouse may be**
49 **entitled under other provisions of sections 86.900 to 86.1280. Any such surviving spouse**
50 **of a member who dies while entitled to payments under this section shall succeed to the full**
51 **amount of payment under this section to which such member was entitled at the time of**
52 **such member's death, including any cost-of-living adjustments received by such member**
53 **in the payment under this section prior to such member's death. In all events, the term**
54 **"member" shall not include any children of the member who would be entitled to receive**
55 **part or all of the pension which would be received by a surviving spouse if living.**

56 **5. The determination of whether the retirement system will remain actuarially**
57 **sound shall be made at the time any cost-of-living adjustment under this section is granted.**
58 **If at any time the retirement system ceases to be actuarially sound, supplemental**
59 **retirement benefit payments under subsection 1 of this section and supplemental**
60 **compensation payments as a consultant under subsection 2 of this section shall continue**
61 **as adjusted by increases or decreases theretofore granted. A member of the retirement**
62 **board shall have no personal liability for granting increases under this section if that**
63 **retirement board member in good faith relied and acted upon advice of a qualified actuary**
64 **that the retirement system would remain actuarially sound.**

86.1240. 1. Upon receipt of the proper proofs of death of a member in service for
2 **any reason whatsoever, there shall be paid to such member's surviving spouse, if any, in**
3 **addition to all other benefits but subject to subsection 6 of this section, a base pension equal**

4 to forty percent of the final compensation of such member, subject to adjustments, if any,
5 as provided in section 86.1220.

6 **2. (1) Upon receipt of the proper proofs of death of a member who was retired or**
7 **terminated service after August 28, 1999, and died after commencement of benefits to such**
8 **member from this retirement system, there shall be paid to such member's surviving**
9 **spouse, if any, in addition to all other benefits but subject to subsection 6 of this section,**
10 **a base pension equal to eighty percent of the pension being received by such member,**
11 **including cost-of-living adjustments to such pension but excluding supplemental retirement**
12 **benefits, at the time of such member's death, subject to subsequent adjustments, if any, as**
13 **provided in section 86.1220. The pension provided by this subdivision shall terminate**
14 **upon remarriage by the surviving spouse prior to August 28, 2000.**

15 **(2) (a) Upon receipt of the proper proof of death of a member who retired or**
16 **terminated service on or before August 28, 1999, and who died after August 28, 1999, and**
17 **after commencement of benefits to such member from this retirement system, such**
18 **member's surviving spouse, if any, shall be entitled to a base pension equal to forty percent**
19 **of the final compensation of such member.**

20 **(b) Such a surviving spouse shall, upon application to the retirement board, be**
21 **appointed by the retirement board as a consultant and be compensated in an amount equal**
22 **to the benefits such spouse would receive under subdivision (1) of this subsection if the**
23 **member had retired or terminated service after August 28, 1999.**

24 **(c) The benefits provided by this subdivision shall terminate upon remarriage by**
25 **the surviving spouse prior to August 28, 2000.**

26 **3. In the case of any member who, prior to August 28, 2000, died in service or**
27 **retired, the surviving spouse who would qualify for benefits under subsection 1 or 2 of this**
28 **section but for remarriage, and who has not remarried prior to August 28, 2000, but**
29 **remarries thereafter, shall upon application be appointed by the retirement board as a**
30 **consultant. For services as such consultant, such surviving spouse shall be compensated**
31 **in an amount equal to the benefits such spouse would have received under sections 86.900**
32 **to 86.1280 in the absence of such remarriage.**

33 **4. For purposes of this section, commencement of benefits shall begin, for any**
34 **benefit, at such time as all requirements of sections 86.900 to 86.1280 have been met**
35 **entitling the member to a payment of such benefit at the next following payment date with**
36 **the amount thereof established, regardless of whether the member has received the initial**
37 **payment of such benefit.**

38 **5. Upon the death of any member who is in service after August 28, 2000, and who**
39 **either had at least twenty-five years of creditable service or was retired or died as a result**

40 of an injury or illness occurring in the line of duty or course of employment under section
41 86.1180, the surviving spouse's benefit provided under this section, without including any
42 supplemental retirement benefits paid such surviving spouse by this retirement system,
43 shall not be less than six hundred dollars per month. For any member who died, retired
44 or terminated service on or before August 28, 2000, and who either had at least twenty-five
45 years of creditable service or was retired or died as a result of an injury or illness occurring
46 in the line of duty or course of employment under section 86.1180, the surviving spouse
47 shall upon application to the retirement board be appointed by the retirement board as a
48 consultant. For services as such consultant, the surviving spouse shall, beginning the later
49 of August 28, 2000, or the time the appointment is made under this subsection, be
50 compensated in an amount which without including supplemental retirement benefits
51 provided by this system shall be not less than six hundred dollars monthly. A pension
52 benefit under this subsection shall be paid in lieu of any base pension as increased by cost-
53 of-living adjustments granted under section 86.1220. The benefit under this subsection
54 shall not be subject to cost-of-living adjustments, but shall be terminated and replaced by
55 the base pension and cost-of-living adjustments to which such spouse would otherwise be
56 entitled at such time as the total base pension and such adjustments exceed six hundred
57 dollars monthly.

58 6. Any beneficiary of benefits under sections 86.900 to 86.1280 who becomes the
59 surviving spouse of more than one member shall be paid all benefits due a surviving spouse
60 of that member whose entitlements produce the largest surviving spouse benefits for such
61 beneficiary but shall not be paid surviving spouse benefits as the surviving spouse of more
62 than one member.

86.1250. 1. (1) Upon the death of a member in service or after retirement and
2 commencement of benefits, such member's child or children under the age of eighteen
3 years at the time of the member's death shall be paid fifty dollars per month each until he
4 or she shall attain the age of eighteen years; however, each such child who is or becomes
5 a full-time student at an accredited educational institution shall continue to receive
6 payments under this section for so long as such child shall remain such a full-time student
7 or shall be in a summer or other vacation period scheduled by the institution with intent
8 by such child, demonstrated to the satisfaction of the retirement board, to return to such
9 full-time student status upon the resumption of the institution's classes following such
10 vacation period, but in no event shall such payments be continued after such child shall
11 attain the age of twenty-one years except as hereinafter provided.

12 (2) Any child eighteen years of age or older, who is physically or mentally
13 incapacitated from wage earning, so long as such incapacity exists as certified by a member

14 of the medical board, shall be entitled to the same benefits as a child under the age of
15 eighteen. For purposes of this section, a determination of whether a child of a member is
16 physically or mentally incapacitated from wage earning so that the child is entitled to
17 benefits under this section shall be made at the time of the member's death. If a child
18 becomes incapacitated after the member's death, or if a child's incapacity existing at the
19 member's death is removed and such child later becomes incapacitated again, such child
20 shall not be entitled to benefits as an incapacitated child under the provisions of this
21 section. A child shall be deemed incapacitated only for so long as the incapacity existing
22 at the time of the member's death continues.

23 (3) Notwithstanding any other law to the contrary, amounts payable under
24 subdivisions (1) or (2) of this subsection shall not be subject to offset or reduction by
25 amounts paid or payable under any workers' compensation or similar law.

26 2. Upon or after the death of a member in service or after retirement and
27 commencement of benefits, if there is no surviving spouse or if a surviving spouse dies, the
28 total amount, including any amounts receivable as consulting compensation, but not
29 including any supplemental benefits under section 86.1230, which would be received by a
30 qualified surviving spouse or which is being received by the surviving spouse at the date
31 of death of such surviving spouse shall be added to the amounts received by and shall be
32 divided among the children of such member under the age of eighteen years and the
33 incapacitated children in equal shares. As each such child attains the age of eighteen years
34 or has such incapacity removed, such total amount shall then be divided among the
35 remaining such children, until there is no remaining child of such member under the age
36 of eighteen years or incapacitated, at which time all benefits for children of such member
37 under this subsection shall cease.

38 3. Upon the death of a member in service or after retirement and commencement
39 of benefits, a funeral benefit of one thousand dollars shall be paid to the person or entity
40 who provided or paid for the funeral services for such member.

41 4. If no benefits are otherwise payable to a surviving spouse or child of a deceased
42 member, the member's accumulated contributions, to any extent not fully paid to such
43 member prior to the member's death or to the surviving spouse or child of such member,
44 shall be paid in one lump sum to the member's named beneficiary or, if none, to the
45 member's estate, and such payment shall constitute full and final payment of any and all
46 claims for benefits under the retirement system.

47 5. For purposes of this section, commencement of benefits shall begin, for any
48 benefit, at such time as all requirements of sections 86.900 to 86.1280 have been met
49 entitling the member to a payment of such benefit at the next following payment date with

50 the amount established, regardless of whether the member has received the initial payment
51 of such benefit.

86.1260. 1. Upon the receipt of the proper proof that the death of a member in
2 service was the natural and proximate result of an event occurring within the performance
3 of duty or of an occupational disease arising out of and in the course of such member's
4 employment, there shall be paid to the surviving spouse, or if there be no surviving spouse,
5 then to the child or children of such member under the age of twenty-one years and those,
6 if any, over the age of twenty-one years if mentally or physically incapacitated from wage
7 earning, in equal shares or divided between or among them as the retirement board in its
8 sole discretion shall direct, the sum of fifty thousand dollars.

9 2. If a member dies in such manner that a surviving spouse or child would be
10 entitled to benefits under this section but there is no surviving spouse or child eligible to
11 receive payments under this section, no payments under this section shall be paid.

12 3. Notwithstanding any other law to the contrary, amounts payable under this
13 section shall not be subject to offset or reduction by amounts paid or payable under any
14 workers' compensation or similar law.

86.1270. 1. A retirement plan under sections 86.900 to 86.1280 is a qualified plan
2 under the provisions of applicable federal law. The benefits and conditions of a retirement
3 plan under sections 86.900 to 86.1280 shall always be adjusted to ensure that the tax-
4 exempt status is maintained.

5 2. The retirement board shall administer the retirement system in a manner as to
6 retain at all times qualified status under Section 401(a) of the Internal Revenue Code.

7 3. The retirement board shall hold in trust the assets of the retirement system for
8 the exclusive benefit of the members and their beneficiaries and for defraying reasonable
9 administrative expenses of the system. No part of such assets shall, at any time prior to the
10 satisfaction of all liabilities with respect to members and their beneficiaries, be used for or
11 diverted to any purpose other than such exclusive benefit or to any purpose inconsistent
12 with sections 86.900 to 86.1280.

13 4. A member's benefit shall be one hundred percent vested and nonforfeitable upon
14 the member's attainment of normal retirement age, which shall be the earlier of:

- 15 (1) Completion of twenty-five years of service;
- 16 (2) Age sixty if the member has completed at least ten years of creditable service;
- 17 (3) Age seventy without regard to years of service; or
- 18 (4) To the extent funded, upon the termination of the system established under
19 sections 86.900 to 86.1280 or any partial termination which affects the members or any
20 complete discontinuance of contributions by the city to the system.

21 Amounts representing forfeited nonvested benefits of terminated members shall not be
22 used to increase benefits payable from the system but may be used to reduce contributions
23 for future plan years.

24 **5. Distribution of benefits shall begin not later than April first of the year following**
25 **the later of the calendar year during which the member becomes seventy and one-half**
26 **years of age or the calendar year in which the member retires, and shall otherwise conform**
27 **to Section 401(a)(9) of the Internal Revenue Code.**

28 **6. A member or beneficiary of a member shall not accrue a service retirement**
29 **annuity, disability retirement annuity, death benefit, whether death occurs in the line of**
30 **duty or otherwise, or any other benefit under sections 86.900 to 86.1280 in excess of the**
31 **benefit limits applicable to the fund under Section 415 of the Internal Revenue Code. The**
32 **retirement board shall reduce the amount of any benefit that exceeds those limits by the**
33 **amount of the excess. If the total benefits under the retirement system and the benefits and**
34 **contributions to which any member is entitled under any other qualified plan or plans**
35 **maintained by the board of police commissioners that employs the member would**
36 **otherwise exceed the applicable limits under Section 415 of the Internal Revenue Code, the**
37 **benefits the member would otherwise receive from the retirement system shall be reduced**
38 **to the extent necessary to enable the benefits to comply with Section 415 of the Internal**
39 **Revenue Code.**

40 **7. The total salary taken into account for any purpose for any member of the**
41 **retirement system shall not exceed two hundred thousand dollars per year, subject to**
42 **periodic adjustments in accordance with guidelines provided by the United States**
43 **Secretary of the Treasury, and shall not exceed such other limits as may be applicable at**
44 **any given time under Section 401(a)(17) of the Internal Revenue Code.**

45 **8. If the amount of any benefit is to be determined on the basis of actuarial**
46 **assumptions that are not otherwise specifically set forth for that purpose in sections 86.900**
47 **to 86.1280, the actuarial assumptions to be used are those earnings and mortality**
48 **assumptions being used on the date of the determination by the retirement system's**
49 **actuary and approved by the retirement board. The actuarial assumptions being used at**
50 **any particular time shall be attached as an addendum to a copy of the retirement system's**
51 **statute that is maintained by the retirement board and shall be treated for all purposes as**
52 **a part of sections 86.900 to 86.1280. The actuarial assumptions may be changed by the**
53 **retirement system's actuary annually if approved by the retirement board, but a change**
54 **in actuarial assumptions shall not result in any decrease in benefits accrued as of the**
55 **effective date of the change.**

56 **9. Any member or beneficiary who is entitled to receive any distribution that is an**
57 **eligible rollover distribution, as defined by Section 402(c)(4) of the Internal Revenue Code,**
58 **is entitled to have that distribution transferred directly to another eligible retirement plan**
59 **of the member's or beneficiary's choice upon providing direction to the secretary of this**
60 **retirement system regarding the transfer in accordance with procedures established by the**
61 **retirement board.**

62 **10. For all distributions made after December 31, 2001:**

63 **(1) For the purposes of subsection 9 of this section, an eligible retirement plan shall**
64 **also mean an annuity contract described in Section 403(b) of the Internal Revenue Code**
65 **and an eligible plan under Section 457(b) of the Internal Revenue Code which is**
66 **maintained by the state, political subdivision of a state, or any agency or instrumentality**
67 **of a state or political subdivision of a state and which agrees to separately account for**
68 **amounts transferred into such plan from the retirement system. The definition of eligible**
69 **retirement plan shall also apply in the case of a distribution to a surviving spouse or to a**
70 **spouse or former spouse who is the alternate payee under a qualified domestic relations**
71 **order, as defined in Section 414(p) of the Internal Revenue Code; and**

72 **(2) For purposes of subsection 9 of this section, a portion of a distribution shall not**
73 **fail to be an eligible rollover distribution merely because the portion consists of after-tax**
74 **employee contributions which are not includable in gross income. However, such portion**
75 **may be paid only to an individual retirement account or annuity described in Section**
76 **408(a) or 408(b) of the Internal Revenue Code, or to a qualified defined contribution plan**
77 **described in Section 401(a) or 403(a) of the Internal Revenue Code that agrees to**
78 **separately account for amounts so transferred, including separately accounting for the**
79 **portion of such distribution that is includable in gross income and the portion of such**
80 **distribution that is not so includable.**

86.1280. If a city and the police department of such city adopt any program of
2 **incentives to authorize or encourage early retirements, whether for employees not yet**
3 **eligible for regular retirement or for employees who are eligible but have not yet chosen**
4 **to retire or for both, the retirement board shall be authorized to administer and pay such**
5 **incentives for retirees who accept such incentives and are members of the retirement**
6 **system under sections 86.900 to 86.1280, in addition to such other benefits as such members**
7 **or their beneficiaries are entitled to receive under sections 86.900 to 86.1280, provided such**
8 **city shall so request and shall agree to increase the city's contribution under section**
9 **86.1000 sufficiently to provide the full actuarial cost of any such incentives in addition to**
10 **the contribution required of such city necessary, in conjunction with members'**

11 contributions under section 86.1010, to provide all other benefits provided under sections
12 86.900 to 86.1280.

2 **86.1310.** The following words and phrases as used in sections 86.1310 to 86.1640
3 shall have the following meanings unless a different meaning is plainly required by the
4 context:

5 (1) "Accumulated contributions", the sum of all amounts deducted from the
6 compensation of a member and paid to the retirement board, together with all amounts
7 paid to the retirement board by a member or by a member's beneficiary for the purchase
8 of prior service credits or any other purpose permitted under sections 86.1310 to 86.1640,
9 in all cases with interest thereon at a rate determined from time to time for such purpose
10 by the retirement board;

11 (2) "Beneficiary", any person entitled, either currently or conditionally, to receive
12 pension or other benefits provided in sections 86.1310 to 86.1640;

13 (3) "Board of police commissioners", the board composed of police commissioners
14 authorized by law to employ and manage an organized police force in the cities;

15 (4) "City" or "cities", any city which now has or may hereafter have a population
16 of more than three hundred thousand and less than seven hundred thousand inhabitants,
17 or any city that has made an election under section 86.1320 to continue a civilian
18 employees' retirement system theretofore maintained under sections 86.1310 to 86.1640;

19 (5) "Compensation", the basic wage or salary paid a member for any period,
20 excluding bonuses, overtime pay, expense allowances, and other extraordinary
21 compensation; except that, notwithstanding such provision, compensation for any year for
22 any member shall not exceed the amount permitted to be taken into account under Section
23 401(a)(17) of the Internal Revenue Code as applicable to such year;

24 (6) "Consultant", unless otherwise specifically defined, means a person retained
25 by the retirement system as a special consultant on the problems of retirement, aging and
26 related matters who, upon request of the retirement board, shall give opinions and be
27 available to give opinions in writing or orally in response to such requests, as may be
28 needed by the board;

29 (7) "Creditable service", service qualifying as a determinant of a member's pension
30 or other benefit under sections 86.1310 to 86.1640 by meeting the requirements specified
31 in such sections, or section 105.691, RSMo;

32 (8) "Employee", any regularly appointed civilian employee of the police
33 department of the city as specified in sections 86.1310 to 86.1640 who is not eligible to
receive a pension from the police retirement system of said city;

34 **(9) "Final compensation", the average annual compensation of a member during**
35 **the member's service if less than two years, or the twenty-four months of service for which**
36 **the member received the highest salary whether consecutive or otherwise. For any period**
37 **of time when a member is paid on a frequency other than monthly, the member's salary**
38 **for such period shall be deemed to be the monthly equivalent of the member's annual rate**
39 **of compensation for such period;**

40 **(10) "Internal Revenue Code", the United States Internal Revenue Code of 1986,**
41 **as amended;**

42 **(11) "Medical board", not less than one nor more than three physicians appointed**
43 **by the retirement board to arrange for and conduct medical examinations as directed by**
44 **the retirement board;**

45 **(12) "Member", a member of the civilian employees retirement system as described**
46 **in section 86.1480;**

47 **(13) "Pension", annual payments for life, payable monthly, beginning with the date**
48 **of retirement or other applicable commencement date and ending with death;**

49 **(14) "Pension fund", the fund resulting from contributions made thereto by the**
50 **cities affected by sections 86.1310 to 86.1640 and by the members of the civilian employees**
51 **retirement system;**

52 **(15) "Retirement", termination of a member's status as an employee of the police**
53 **department of the city at a time when the member or the member's beneficiary is**
54 **immediately entitled to one or more benefits under sections 86.1310 to 86.1640;**

55 **(16) "Retirement board" or "board", the board provided in section 86.1330 to**
56 **administer the retirement system;**

57 **(17) "Retirement system", the civilian employees' retirement system of the police**
58 **department of the cities as defined in section 86.1320;**

59 **(18) "Surviving spouse", when determining whether a person is entitled to benefits**
60 **under sections 86.1310 to 86.1640 by reason of surviving a member, shall include only:**

61 **(a) The person who was married to the member at the time of the member's death**
62 **in service prior to August 28, 2001, and who had not remarried prior to August 28, 2001;**

63 **(b) The person who was married to the member at the time of the member's death**
64 **in service on or after August 28, 2001;**

65 **(c) In the case of any member who both retired and died prior to August 28, 2001,**
66 **the person who was married to the member at the time of the member's death and who had**
67 **not remarried prior to August 28, 2001;**

68 (d) In the case of any member who retired prior to August 28, 2001, and died on
69 or after that date, the person who was married to the member at the time of the member's
70 death; or

71 (e) In the case of any member who retired on or after August 28, 2001, the person
72 who was married to the member at both the time of the member's retirement and the time
73 of the member's death.

86.1320. In all cities that now have or may hereafter attain a population of more
2 than three hundred thousand and less than seven hundred thousand inhabitants according
3 to the last preceding federal decennial census, there are hereby created and established
4 retirement or pension systems for the purpose of providing retirement allowances for
5 civilian employees of police departments of such cities. Any city which has established a
6 civilian employees' retirement system under the provisions of sections 86.600 to 86.790 or
7 sections 86.1310 to 86.1640 may elect to continue its civilian employees' retirement system
8 under the provisions of sections 86.1310 to 86.1640 even though the city may cease to have
9 the population described in this section, and any city so electing to continue its established
10 civilian employees' retirement system shall be excused from creating or maintaining any
11 other civilian employees' retirement system under any other provisions of the Missouri
12 statutes. Each system shall be under the management of a retirement board to be known
13 as the "Civilian Employees' Retirement System of the Police Department of (name of
14 city)," and by such name all of its business shall be transacted, and all of its cash and other
15 property held. The retirement systems so created shall begin operation on October 13,
16 1965, on which date contributions of employees shall be payable to the pension fund.

86.1330. 1. There shall be a retirement board whose members shall serve without
2 compensation but shall be reimbursed from the pension fund for any necessary expenses
3 which they may incur for service on the board. The board shall adopt policies for the
4 administration of the affairs of the retirement system. The members of the retirement
5 board for the civilian employees' retirement system herein enacted shall be the same as the
6 members of the retirement board for police officers as provided in section 86.930 and upon
7 election or appointment as provided in section 86.930, shall be vested with full authority
8 to administer the retirement system provided in sections 86.1310 to 86.1640, and shall be
9 vested with full authority to do all things necessary and required herein; but all funds
10 received for the administration of the retirement system shall be kept separately and not
11 commingled with funds included in retirement systems provided in sections 86.900 to
12 86.1280. The members of the retirement system provided in sections 86.1310 to 86.1640
13 and a surviving spouse receiving benefits from the retirement system shall be entitled to

14 vote in the election of elected members of the retirement board as provided in section
15 **86.930.**

16 **2. Each member of the retirement board shall, within ten days after appointment**
17 **or election, take an oath of office that such member will diligently and honestly administer**
18 **the affairs of such board, and will not knowingly violate or willingly permit to be violated**
19 **any of the provisions of the law applicable to the civilian employees' retirement system.**
20 **Such oath shall be signed by the member and filed with the clerk of such city.**

86.1350. Each member of the retirement board shall be entitled to one vote in the
2 **decisions of the board. Five votes or more in favor shall be necessary to pass a motion by**
3 **the retirement board at any meeting of the board.**

86.1360. 1. Subject to the limitations of sections 86.1310 to 86.1640, the retirement
2 **board shall, from time to time, establish policies for the administration of its assets, for the**
3 **transaction of its business and for the conduct of nominations and elections of the elected**
4 **members of the retirement board. The retirement board shall be deemed to be a state**
5 **agency within the meaning of chapter 536, RSMo. Any rule or portion of a rule, as that**
6 **term is defined in section 536.010, RSMo, that is created under the authority delegated in**
7 **this section shall become effective only if it complies with and is subject to all of the**
8 **provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section**
9 **and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general**
10 **assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to**
11 **disapprove and annul a rule are subsequently held unconstitutional, then the grant of**
12 **rulemaking authority and any rule proposed or adopted after August 28, 2005, shall be**
13 **invalid and void.**

14 **2. The retirement board shall elect from its membership a chairman, a vice**
15 **chairman, and a treasurer and shall, by majority vote of its members, appoint a secretary,**
16 **who may be, but need not be, one of its members. The offices of secretary and of treasurer**
17 **shall not be held by the same person. It may employ such actuarial, legal, and other**
18 **services as may be necessary to transact the business of the retirement system. The**
19 **compensation of all persons employed by the retirement board and all other expenses of**
20 **the board necessary for the operation of the retirement system shall be paid in such**
21 **manner as the retirement board shall determine; provided, that the compensation of such**
22 **persons as may be employed by the retirement board shall not be greater than the**
23 **compensation paid for comparable abilities by the governments of the cities in which the**
24 **retirement board is located.**

2 **86.1370. 1. The retirement board shall keep in convenient form such data as is**
3 **necessary for administration of the retirement system. The retirement board shall keep**
4 **a record of all its proceedings which shall be open to public inspection.**

5 **2. The retirement board shall publish annually a statement reporting the operations**
6 **of the retirement system for the year, including income and disbursements during the year**
7 **and the financial condition of the retirement system at the end of the year, including**
8 **actuarial valuation and valuations of its assets and liabilities as of April thirtieth of each**
9 **year. Such statement shall be consistent with results reviewed and approved by**
10 **independent certified public accountants selected by the board. One copy of the annual**
11 **report shall be delivered to each member of the retirement board and each member of the**
12 **board of police commissioners, and one copy shall be filed with the city clerk. Copies of**
13 **the report shall be made conveniently available to each member of the retirement system.**

14 **3. The retirement board shall cause an actuarial study and calculation to be made**
15 **annually based upon the experiences of the retirement system by an independent firm of**
16 **pension actuaries.**

17 **4. The retirement board shall appoint a medical board of not more than three**
18 **physicians, each of whom shall serve at the pleasure of the retirement board, to arrange**
19 **for and conduct medical examinations as requested by the retirement board.**

20 **5. The retirement board shall adopt a common seal.**

21 **86.1380. The retirement board shall before January tenth of each year certify to**
22 **the chief financial officer of such city the amount to be paid by the city to the retirement**
23 **pension system for the succeeding fiscal year, as otherwise provided by sections 86.1310 to**
24 **86.1640.**

25 **86.1390. The cities specified in sections 86.1310 to 86.1640 shall contribute to the**
26 **retirement pension system such an amount as may be necessary to pay the pensions as they**
27 **accrue from year to year, and such additional amounts as may be necessary to maintain**
28 **the system on a sound actuarial basis as determined by the retirement board and certified**
29 **as provided in section 86.1380.**

30 **86.1400. The board of police commissioners shall cause to be deducted from the**
31 **compensation of each member until retirement a percentage of such member's**
32 **compensation, which shall not be less than five percent, as determined by the retirement**
33 **board, as such member's contribution to the pension fund. The sum so deducted shall be**
34 **paid by the board of police commissioners promptly after each payroll to the retirement**
35 **board to be credited to the member's account. Every member shall be deemed to consent**
36 **to the deductions made and provided for herein. The board of police commissioners shall**
37 **certify to the retirement board on each payroll the amount deducted, and such amounts**

9 shall be paid into the pension fund and shall be credited to the individual pension account
10 of the member from whose compensation such deduction was made.

2 **86.1410. 1. The retirement board shall act as trustee of the funds created by or**
3 **collected under the provisions of sections 86.1310 to 86.1640. With appropriate safeguards**
4 **against loss by the retirement system, the board may designate one or more banks or trust**
5 **companies to serve as a depository of retirement system funds and as an intermediary in**
6 **the investment of those funds and payment of system obligations. The board shall**
7 **promptly deposit the funds with any such designated bank or trust company.**

8 **2. The retirement board shall have power, in the name and on behalf of the**
9 **retirement pension system, to purchase, acquire, hold, invest, lend, lease, sell, assign,**
10 **transfer, and dispose of all property, rights, and securities, and enter into written**
11 **contracts, all as may be necessary or proper to carry out the purposes of sections 86.1310**
12 **to 86.1640. No investment transaction authorized by the retirement board shall be handled**
13 **by any company or firm in which a member of the board has an interest, nor shall any**
14 **member of the board profit directly or indirectly from any such investment. All**
15 **investments shall be made for the account of the retirement system, and any securities or**
16 **other properties obtained by the retirement board may be held by a custodian in the name**
17 **of the retirement system, or in the name of a nominee in order to facilitate the expeditious**
18 **transfer of such securities or other properties. Such securities or other properties may be**
19 **held by such custodian in bearer form or in book entry form. The retirement system is**
20 **further authorized to deposit, or have deposited for its account, eligible securities in a**
21 **central depository system or clearing corporation or in a federal reserve bank under a**
22 **book entry system as defined in the uniform commercial code, sections 400.8-102 and**
23 **400.8-117, RSMo. When such eligible securities of the retirement system are so deposited**
24 **with the central depository system they may be merged and held in the name of the**
25 **nominee of such securities depository and title to such securities may be transferred by**
26 **bookkeeping entry on the books of such securities depository or federal reserve bank**
27 **without physical delivery of the certificates or documents representing such securities.**

28 **3. The retirement board may contract with a bank or trust company to act as the**
29 **custodian of bonds and securities acquired by the board, in which case the retirement**
30 **board may authorize such custodian bank or trust company to order purchases, loans, or**
31 **sales of investments by such custodian bank or trust company, and may also appoint one**
32 **or more investment managers to manage investments of the retirement pension system and**
33 **in the course of such management to order purchases, loans, or sales of investments by**
34 **such custodian bank or trust company, subject to such limitations, reporting requirements**
and other terms and restrictions as the retirement board may include in the terms of each

35 such appointment. The income from investments shall be credited to the funds of the
36 retirement system at frequent intervals satisfactory to the retirement board. All payments
37 from the funds shall be made by the bank or trust company only upon orders signed by the
38 secretary and treasurer of the retirement board, except as otherwise provided in this
39 subsection. No order shall be drawn unless it shall have previously been allowed by a
40 specific or an ongoing generalized resolution of the retirement board. In the case of
41 payments for benefits, services, supplies, or similar items in the ordinary course of
42 business, such board resolutions may be ongoing generalized authorizations, provided that
43 each payment other than payments to members or beneficiaries for benefits shall be
44 reported to the board at its next following meeting and shall be subject to ratification and
45 approval by the board.

46 **4.** Before assuming the duties of office, the secretary and treasurer shall each be
47 bonded for an amount determined by the retirement board at the cost of the retirement
48 system, conditioned upon the faithful performance of the duties as such officer, and to
49 account for all moneys, securities, and property which may come into their respective
50 hands or under their respective control by virtue of such office, with a corporate surety
51 duly licensed to transact business in this state. Such bonds shall be subject to the approval
52 of the presiding judge of the circuit court of the county in which such cities are located.

86.1420. All benefits and all necessary administrative expenses of the retirement
2 system shall be paid from the funds of the retirement system.

86.1430. The right of any person to pension or pensions, to the return of
2 contributions, disability or death benefits, or any other right accrued or accruing to any
3 person under the provisions of sections 86.1310 to 86.1640 and the moneys in the various
4 funds created under sections 86.1310 to 86.1640 shall not be subject to execution,
5 garnishment, attachment, or any other process whatsoever and shall be unassignable
6 except as specifically provided in sections 86.1310 to 86.1640, and except for court orders
7 or assignments approved by a court to provide support for family members or a former
8 spouse of any person entitled to benefits under sections 86.1310 to 86.1640. The moneys
9 in the various funds created under sections 86.1310 to 86.1640 are hereby exempt from any
10 tax of the state of Missouri or of any municipality or political subdivision thereof. A
11 revocable request or authorization by a member or a beneficiary to withhold and apply for
12 the requester's convenience some portion or all of a benefit payment shall not be deemed
13 an assignment prohibited under this section provided that any such request shall remain
14 revocable at all times except as to payments or withholdings effected prior to any such
15 revocation. The retirement system may, but shall not be obligated to, comply with any
16 such request.

2 **86.1440.** Nothing contained in sections 86.1310 to 86.1640 shall in any way limit the
3 criminal liability of any person subject to prosecution under any law which is now or may
4 hereafter be in force. Should any change or error in records result in any member or
5 beneficiary receiving from the pension system more or less than such person would have
6 been entitled to receive had the records been correct, the retirement board shall correct
7 such error and, as far as practicable, shall adjust the payments in such a manner that the
benefit to which said member or beneficiary was correctly entitled shall be paid.

2 **86.1450. 1.** The retirement board may sue and be sued in its own name. Such suits
3 shall constitute suits by or against the members of the retirement board in their
4 representative capacities and not as individuals.

2 **2.** Service of process on the retirement board shall be sufficient if ten copies of the
3 pleading or other document to be served shall be served upon the secretary of the
4 retirement board at the principal office of the retirement system during business hours.

2 **86.1460. 1.** In any hearing conducted by the retirement board, the board's findings
3 on all issues of fact shall be final and conclusive upon all parties concerned, when such
4 findings are supported by competent and substantial evidence.

2 **2.** Any ruling of the retirement board on a question of law and whether the same
3 is supported by substantial evidence shall, at the option of the plaintiff, be reviewed upon
4 application of any party by the circuit court of Cole County, or in the county of the
5 residence of the plaintiff or one of the plaintiffs, or in the county in which the principal
6 office of the retirement system is located.

2 **86.1470. 1.** The retirement board may purchase with retirement system assets from
3 one or more insurers licensed to do business in this state one or more insurance policies
4 that provide for reimbursement of the retirement system and any trustee, member of the
5 retirement board, officer, or employee of the retirement system for liability imposed or
6 damages because of an alleged act, error, or omission committed in the trustee's, board
7 member's, officer's, or employee's capacity as a fiduciary, officer, or employee of the
8 retirement system and for costs and expenses, including attorney fees, incurred as a trustee,
9 board member, officer, or employee in defense of a claim for an alleged act, error, or
10 omission, as long as the insurance policy does not provide for reimbursement of a trustee,
11 board member, officer, or employee for liability imposed or expenses incurred because of
12 the trustee's, board member's, officer's, or employee's personal dishonesty, fraud, lack of
good faith, or intentional failure to act prudently.

2 **2.** If the insurance coverage described in subsection 1 of this section is insufficient
3 or is not in effect, the retirement board may indemnify any person who was or is a party
4 or is threatened to be made a party to any threatened, pending or completed action, suit,
5

16 or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact
17 that the person is or was a member of the retirement board, or is or was serving at the
18 request of the retirement board in the capacity which caused the person's relationship to
19 such action, suit, or proceeding, against expenses, including attorneys' fees, judgments,
20 fines, and amounts paid in settlement actually and reasonably incurred by the person in
21 connection with such action, suit, or proceeding, if the person acted in good faith and
22 without willful malfeasance, and, with respect to any criminal action or proceeding, had
23 reasonable cause to believe the relevant conduct was lawful. The termination of any action,
24 suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo
25 contendere or its equivalent, shall not, of itself, create a presumption that the person did
26 not act in good faith, or, with respect to any criminal action or proceeding, that the person
27 did not have reasonable cause to believe that the relevant conduct was lawful.

28 **3. To the extent that a member of the retirement board has been successful on the**
29 **merits or otherwise in defense of any action, suit, or proceeding referred to in subsections**
30 **1 and 2 of this section, or in defense of any claim, issue, or matter therein, the person shall**
31 **be indemnified against expenses, including attorneys' fees, actually and reasonably**
32 **incurred in connection with the action, suit, or proceeding that are not covered by the**
33 **insurance described in subsection 1 of this section.**

34 **4. Any indemnification under this section, unless ordered by a court, shall be made**
35 **by the retirement board only as authorized in each specific case upon a determination that**
36 **indemnification of any person potentially entitled to indemnification hereunder is proper**
37 **in the circumstances because the person has met the applicable standard of conduct set**
38 **forth in this section. The determination shall be made by the retirement board by a**
39 **majority vote of a quorum consisting of members of the retirement board who are not**
40 **parties to the action, suit, or proceeding, or if such a quorum is not obtainable, or even if**
41 **obtainable and a quorum of disinterested members of the retirement board so directs, by**
42 **independent legal counsel in a written opinion. Such legal counsel may but need not be**
43 **counsel to the retirement system.**

44 **5. Expenses incurred in defending a civil or criminal action, suit, or proceeding**
45 **may be paid by the retirement board in advance of the final disposition of the action, suit,**
46 **or proceeding as authorized by the retirement board in the specific case upon receipt of an**
47 **undertaking by or on behalf of the person potentially entitled to indemnification hereunder**
48 **to repay such amount unless it shall ultimately be determined that the person is entitled to**
49 **be indemnified by the retirement board as authorized in this section.**

2 **86.1480. 1. Every person who becomes an employee, as defined in subdivision (8)**
3 **of section 86.1310, after August 28, 2001, shall become a member of the retirement system**
4 **defined in sections 86.1310 to 86.1640 as a condition of such employment.**

5 **2. Every person who was a member of the retirement system on or before August**
6 **28, 2001, shall remain a member.**

7 **3. Every person who was an employee, as defined in subdivision (8) of section**
8 **86.1310, on August 28, 2001, but was not a member, shall become a member as a condition**
9 **of employment upon the completion of six months continuous employment.**

10 **86.1490. 1. Creditable service at retirement on which the retirement allowance of**
11 **a member is based consists of the membership service rendered by such member for which**
12 **such member received compensation since such member last became a member.**

13 **2. Creditable service also includes any prior service credit to which a member may**
14 **be entitled by virtue of an authorized purchase of such credit or as otherwise provided in**
15 **sections 86.1310 to 86.1640.**

16 **3. Creditable service shall not include any time a member was suspended from**
17 **service without compensation. No contribution is required from either the member under**
18 **section 86.1400 or from the city under section 86.1390 for such time.**

19 **86.1500. 1. Whenever a member is given a leave of absence for military service and**
20 **returns to employment after discharge from the service, such member shall be entitled to**
21 **creditable service for the years of employment prior to the leave of absence.**

22 **2. Any member who served on active duty in the armed forces of the United States**
23 **and who became a member, or returned to membership, after discharge under honorable**
24 **conditions, may elect prior to retirement to purchase creditable service equivalent to such**
25 **service in the armed forces, not to exceed two years, provided the member is not receiving**
26 **and is not eligible to receive retirement credits or benefits from any other public or private**
27 **retirement plan for the service to be purchased, other than a United States military service**
28 **retirement system or United States Social Security benefits attributable to such military**
29 **service, and an affidavit so stating is filed by the member with the retirement system. A**
30 **member electing to make such purchase shall pay to the retirement system an amount**
31 **equal to the actuarial value of the additional benefits attributable to the additional service**
32 **credit to be purchased, as of the date the member elects to make such purchase. The**
33 **retirement system shall determine such value using accepted actuarial methods and the**
34 **same assumptions with respect to interest rates, mortality, future salary increases, and all**
35 **related factors used in performing the most recent regular actuarial valuation of the**
36 **retirement system. Payment in full of the amount due from a member electing to purchase**
37 **creditable service under this subsection shall be made over a period not to exceed five**

20 years, measured from the date of election, or prior to the commencement date for payment
21 of benefits to the member from the retirement system, whichever is earlier, including
22 interest on unpaid balances compounded annually at the interest rate assumed from time
23 to time for actuarial valuations of the retirement system. If payment in full including
24 interest is not made within the prescribed period, any partial payments made by the
25 member shall be refunded, and no creditable service attributable to such election, or as a
26 result of any such partial payments, shall be allowed; provided that if a benefit
27 commencement date occurs because of the death or disability of a member who has made
28 an election under this subsection and if the member is current in payments under an
29 approved installment plan at the time of the death or disability, such election shall be valid
30 if the member, the surviving spouse or other person entitled to benefit payments pays the
31 entire balance of the remaining amount due, including interest to the date of such payment,
32 within sixty days after the member's death or disability. The time of a disability shall be
33 deemed to be the time when such member is determined by the retirement board to be
34 totally and permanently disabled as provided in section 86.1560.

86.1510. Members who terminate membership with three years or more of
2 creditable service and later return to membership may be given credit toward retirement
3 for prior creditable service, subject to the condition that such member deposit in the
4 pension fund a sum equal to the accumulated contributions which had been paid to such
5 member upon the prior termination. Such repayment of withdrawn contributions shall
6 be accompanied by an additional payment of interest equal to the amount of the actual net
7 yield earned or incurred by the pension fund, including both net income after expenses and
8 net appreciation or depreciation in values of the fund, whether realized or unrealized,
9 during the period of time from the date upon which such contributions had been
10 withdrawn to the date of repayment thereof, determined in accordance with such rules for
11 valuation and accounting as may be adopted by the retirement board for such purposes.

86.1520. Each person who becomes a member of the civilian employees' retirement
2 system under the provisions of sections 86.1310 to 86.1640 shall remain a member until the
3 earliest to occur of the following events:

- 4 (1) The termination of service of such person and the payment to such person of all
5 benefits due such person under the provisions of sections 86.1310 to 86.1640; or
- 6 (2) The death of such person.

86.1530. The normal retirement date of a member shall be the later of the date such
2 member attains the age of sixty-five years, or the tenth anniversary of such member's
3 employment.

2 **86.1540. 1. (1) Upon retirement on or after a member's normal retirement date,**
3 **such member shall receive a base pension in the amount of two percent of such member's**
4 **final compensation times the number of years, including fractions thereof, of such**
5 **member's creditable service.**

6 **(2) Such member may elect to receive a different base pension under an election**
7 **permitted under this section or section 86.1580.**

8 **2. Members may elect early retirement as follows:**

9 **(1) Beginning at age fifty-five, if the member has completed at least ten years of**
10 **creditable service or at any later age after the member has completed at least ten years of**
11 **creditable service. Unless subdivision (3) of this subsection shall be applicable, the benefit**
12 **as computed under subsection 1 of this section shall be reduced by one-half of one percent**
13 **for each month the effective date is prior to the first day of the month following that in**
14 **which such member will attain age sixty;**

15 **(2) Beginning at age sixty, if the member has completed at least five but not more**
16 **than ten years of creditable service or at any later age after the member has completed at**
17 **least five years of creditable service. Unless subdivision (3) of this subsection shall be**
18 **applicable, the benefit as computed under subsection 1 of this section shall be reduced by**
19 **one-half of one percent for each month the effective date is prior to the first day of the**
20 **month following that in which such member will attain age sixty-five; or**

21 **(3) At any time after the member's total of age and years of creditable service**
22 **equals or exceeds eighty, in which event the benefit shall be as computed under subsection**
23 **1 of this section without any reduction.**

24 **If an election for early retirement results in a reduced benefit under subdivision (1) or (2)**
25 **of this subsection, such reduced benefit shall become the member's base pension, subject**
26 **to all other adjustments described in this section.**

27 **3. (1) A member who is married at the time of retirement may by a written**
28 **election, with the written consent of such member's spouse, elect an optional benefit**
29 **calculated as follows: Such optional benefit shall be a monthly pension in the initial**
30 **amount which shall be actuarially equivalent to the actuarial value of the pension**
31 **described in subdivision (1) of subsection 1 of this section for such member at the date of**
32 **retirement (including the value of survivorship rights of a surviving spouse, where**
33 **applicable, under section 86.1610), upon the basis that the initial annuity for the member's**
34 **spouse, if such spouse survives the member, shall be the same as the amount being paid the**
35 **member on such annuity at the member's death, and, subject to cost-of-living adjustments**
36 **thereafter declared on the spouse's base pension under section 86.1590, shall be paid to**

37 such surviving spouse for the lifetime of such spouse without regard to remarriage. If a
38 member who makes an election of an optional benefit under this subsection has also elected
39 an early retirement under either subdivision (1) or (2) of subsection 2 of this section, any
40 reduction in benefit required for such early retirement election shall be calculated before
41 calculating the initial amount of the optional benefit under this subsection.

42 (2) If a member who makes the election permitted by this subsection also makes an
43 election permitted under section 86.1580, such optional benefit shall be reduced as
44 provided in subdivision (3) of subsection 2 of section 86.1580.

45 (3) If a member makes the election permitted by this subsection, the amount
46 calculated for such optional benefit under either subdivision (1) or (2) of this subsection
47 shall be the base pension for such member and for such member's spouse for all purposes
48 of sections 86.1310 to 86.1640.

49 (4) An election for an optional benefit under this subsection shall be void if the
50 member dies within thirty days after filing such election with the retirement system or if
51 the member dies before the due date of the first payment of such member's pension.

52 4. Subject to the provisions of subsection 7 of this section, whenever the service of
53 a member is terminated after August 28, 1999, for any reason prior to death or retirement
54 and the member has five or more years of creditable service, the member may elect not to
55 withdraw such member's accumulated contributions and shall become entitled to receive
56 a pension upon such member's normal retirement date under subdivision (1) of subsection
57 1 of this section or may elect to receive a pension commencing upon or after any date, prior
58 to his or her normal retirement date, upon which early retirement would have been
59 permitted under subsection 2 of this section if such member had remained a civilian
60 employee of such police department, except that in calculating any qualification under
61 subsection 2 of this section, such member shall not be entitled to count any year of
62 creditable service in excess of such member's total years of creditable service at the time
63 of such member's termination of employment. The amount of any pension commenced
64 upon the basis of a date permitted under subsection 2 of this section shall be computed on
65 the basis of the member's final compensation and number of years of creditable service,
66 subject to such adjustments as may be applicable under the subdivision of subsection 2 of
67 this section upon which such member relies in electing the commencement of such
68 member's pension and subject to any other adjustments that such member may elect under
69 this section. The amount of the initial pension calculated after all applicable adjustments
70 shall be the base pension for such member, and for such member's spouse if such member
71 shall elect the optional benefit permitted under subsection 3 of this section, for all purposes
72 of sections 86.1310 to 86.1640.

73 **5. A member whose service was terminated on or before August 28, 1999, after five**
74 **or more years of creditable service, and who permitted such member's accumulated**
75 **contributions to remain in the pension fund, shall upon application to the retirement board**
76 **be appointed as a consultant. For services as such consultant, such member shall,**
77 **beginning the later of August 28, 1999, or the time of such appointment under this**
78 **subsection, be entitled to elect to receive compensation in such amount and commencing**
79 **at such time as such member would have been entitled to elect under any of the provisions**
80 **of subsection 4 of this section if such member had terminated service after August 28, 1999.**
81 **Such member shall be entitled to the same cost-of-living adjustments following the**
82 **commencement of such compensation as if such member's compensation had been a base**
83 **pension.**

84 **6. All payments of any pension shall be paid on the first day of each month for that**
85 **month. The first payment shall be paid on the first day of the first month in which the**
86 **member's benefit can be determined and processed for payment, and shall include benefits**
87 **from the date of retirement to the date of such first payment. The final payment due a**
88 **retired member shall be the payment due on the first day of the month in which such**
89 **member's death occurs.**

90 **7. Notwithstanding any other provisions of sections 86.1310 to 86.1640, any member**
91 **who is convicted of a felony prior to separation from active service shall not be entitled to**
92 **any benefit from this retirement system except the return of such member's accumulated**
93 **contributions.**

86.1550. Whenever a member's service is terminated for any reason prior to death
2 **or retirement and such member has less than five years of creditable service, or a member's**
3 **service is terminated after conviction of a felony, or a member's service is terminated for**
4 **any reason and such member requests the withdrawal of all such member's accumulated**
5 **contributions to the retirement system, such member shall be paid the amount of such**
6 **member's accumulated contributions in one lump sum and such payment shall be in lieu**
7 **of any and all other benefits to which such member or any beneficiary or survivor thereof**
8 **might otherwise be or become entitled under sections 86.1310 to 86.1640.**

86.1560. 1. A member who becomes totally and permanently disabled, as defined
2 **in this section, shall be entitled to retire and to receive a base pension determined in**
3 **accordance with the terms of this section. Members who are eligible and totally and**
4 **permanently disabled shall receive a disability pension computed as follows:**

5 **(1) Duty disability, fifty percent of final compensation as of the date of disability;**

6 (2) Nonduty disability, thirty percent of final compensation as of the date of
7 disability, provided that a nonduty disability pension shall not be available to any member
8 with less than ten years creditable service;

9 (3) In no event shall the disability pension be less than the amount to which the
10 member would be entitled as a pension if the member retired on the same date with
11 equivalent age and creditable service.

12 2. The final payment due a member receiving a disability pension shall be the
13 payment due on the first day of the month in which such member's death occurs. Such
14 member's surviving spouse, if any, shall be entitled to such benefits as may be provided
15 under section 86.1610.

16 3. For purposes of sections 86.1310 to 86.1640, the following terms shall mean:

17 (1) "Duty disability", total and permanent disability directly due to and caused by
18 actual performance of employment with the police department;

19 (2) "Nonduty disability", total and permanent disability arising from any other
20 cause than duty disability;

21 (3) "Total and permanent disability", a state or condition which presumably
22 prevents for the rest of a member's life the member's engaging in any occupation or
23 performing any work for remuneration or profit. Such disability, whether duty or
24 nonduty, must not have been caused by the member's own negligence or willful self-
25 infliction.

26 4. The retirement board in its sole judgment shall determine whether the status of
27 total and permanent disability exists. Its determination shall be binding and conclusive.
28 The retirement board shall rely upon the findings of a medical board of three physicians,
29 and shall procure the written recommendation of at least one member thereof in each case
30 considered by the retirement board. The medical board shall be appointed by the
31 retirement board and expense for such examinations as are required shall be paid from
32 funds of the retirement system.

33 5. From time to time, the retirement board shall have the right to require proof of
34 continuing disability which may include further examination by the medical board. Should
35 the retirement board determine that disability no longer exists, it shall terminate the
36 disability pension. A member who immediately returns to work with the police department
37 shall again earn creditable service beginning on the first day of such return. Creditable
38 service prior to disability retirement shall be reinstated. A member who does not return
39 to work with the police department shall be deemed to have terminated employment at the
40 time disability retirement commenced; but in calculating any benefits due upon such
41 presumption, the retirement system shall receive credit for all amounts paid such member

42 during the period of disability, except that such member shall not be obligated in any event
43 to repay to the retirement system any amounts properly paid during such period of
44 disability.

86.1570. 1. Any periodic payment, excluding payments for medical treatment,
2 which may be paid or payable by cities under the provisions of any workers' compensation
3 or similar law to a member or to the dependents of a member on account of any disability
4 or death shall be offset against any benefits payable to the recipient of the workers'
5 compensation payments from funds provided by cities under the provisions of sections
6 86.1310 to 86.1640 on account of the same disability or death. However, in no event shall
7 the amount paid from funds under the provisions of sections 86.1310 to 86.1640 be less
8 than the amount which represents the member's percentage, as defined in this section, of
9 total benefits payable under sections 86.1310 to 86.1640, before any offset for workers'
10 compensation benefits.

11 2. Any lump sum amount, excluding payments for medical treatments, which may
12 be paid or payable by cities under the provisions of any workers' compensation or similar
13 law to a member or to the dependents of a member on account of any disability or death
14 shall be offset against any benefits payable from funds provided by cities under the
15 provisions of sections 86.1310 to 86.1640 on account of the same disability or death. The
16 amounts by which each periodic payment made under the provisions of sections 86.1310
17 to 86.1640 is offset or reduced shall be computed as the periodic amount necessary to
18 amortize as an annuity over the period of time represented by the respective workers'
19 compensation benefits the total amount of the lump sum settlement received as a workers'
20 compensation benefit by a beneficiary of the retirement system. Such computation shall
21 be based upon the same interest rate and mortality assumptions as used for the retirement
22 system at the time of such computation. However, in no event shall the amount paid from
23 funds under the provisions of sections 86.1310 to 86.1640 be less than the amount which
24 represents the member's percentage, as defined in this section, of total benefits payable
25 under sections 86.1310 to 86.1640, before any offset for workers' compensation benefits.

26 3. As used in this section, the term "member's percentage" shall be the fraction of
27 which the numerator is the percentage of compensation contributed by a working member
28 to the retirement pension system under section 86.1400 during the pay period immediately
29 preceding such member's death or disability which created entitlement to benefits and the
30 denominator is the sum of percentages of a member's compensation contributed by a
31 working member under section 86.1400 and the city under section 86.1390 to the
32 retirement pension system during such pay period. Such percentage shall identify the

33 portion of any benefits due under the provisions of sections 86.1310 to 86.1640 which is
34 deemed to have been provided by the member's own contributions.

2 **86.1580. 1. Any member in active service entitled to commence a pension under**
3 **section 86.1540 may elect an optional distribution under the partial lump sum option plan**
4 **provided in this section if the member:**

5 (1) **Notifies the retirement system in writing of the member's retirement date at**
6 **least ninety days in advance thereof and requests an explanation of the member's rights**
7 **under this section; and**

8 (2) **Notifies the retirement system of the member's election hereunder at least thirty**
9 **days in advance of the retirement date.**

10 **Following receipt of an initial notice of a member's retirement date and request for an**
11 **explanation, the retirement system shall, at least sixty days in advance of such retirement**
12 **date, provide the member a written explanation of such member's rights under this section**
13 **and an estimate of the amount by which the member's regular monthly base pension would**
14 **be reduced in the event of the member's election of any of the options available to the**
15 **member under this section.**

16 **2. (1) A member entitled to make an election under this section may elect to receive**
17 **a lump sum distribution with the member's initial monthly pension payment under section**
18 **86.1540, subject to all the terms of this section. The member may elect the amount of the**
19 **member's lump sum distribution from one, but not more than one, of the following options**
20 **for which the member qualifies:**

21 (a) **A member having one or more years of creditable service after the member's**
22 **eligible retirement date may elect a lump sum amount equal to twelve times the initial**
23 **monthly base pension the member would receive if no election were made under this**
24 **section;**

25 (b) **A member having two or more years of creditable service after the member's**
26 **eligible retirement date may elect a lump sum amount equal to twenty-four times the initial**
27 **monthly base pension the member would receive if no election were made under this**
28 **section; or**

29 (c) **A member having three or more years of creditable service after the member's**
30 **eligible retirement date may elect a lump sum amount equal to thirty-six times the initial**
31 **monthly base pension the member would receive if no election were made under this**
32 **section.**

33

34 For purposes of this section, "eligible retirement date" for a member shall mean the
35 earliest date on which the member could elect to retire and be entitled to receive a pension
36 under section 86.1540.

37 (2) When a member makes an election to receive a lump sum distribution under
38 this section, the base pension that the member would have received in the absence of an
39 election shall be reduced on an actuarially equivalent basis to reflect the payment of the
40 lump sum distribution, and the reduced base pension shall be the member's base pension
41 thereafter for all purposes relating to base pension amounts under sections 86.1310 to
42 86.1640, unless the member has also elected an optional benefit permitted under subsection
43 3 of section 86.1540.

44 (3) If a member electing a lump sum distribution under this section has elected the
45 optional benefit permitted under subsection 3 of section 86.1540, the calculation of the
46 member's pension shall be made in the following order:

47 (a) The amount of the member's normal pension under subdivision (1) of
48 subsection 1 of section 86.1540 shall be reduced if applicable by any reductions required
49 under subsection 2 of section 86.1540;

50 (b) The amount of the pension as determined under paragraph (a) of this
51 subdivision shall be reduced to the actuarially equivalent amount to produce the optional
52 form of benefit described in subdivision (1) of subsection 3 of section 86.1540;

53 (c) The amount of reduced pension as determined under paragraph (b) of this
54 subdivision shall be further reduced as required to produce an actuarially equivalent
55 benefit in the form of the lump sum distribution option elected under this section and a
56 remaining monthly annuity which shall be paid on the basis that the initial annuity for the
57 member's spouse, if such spouse survives the member, shall be the same as the amount
58 being paid the member on this annuity at the member's death, and, subject to cost-of-living
59 adjustments thereafter declared on the spouse's base pension under section 86.1590, shall
60 be paid to such surviving spouse for the lifetime of such spouse without regard to
61 remarriage.

62 3. An election under this section to receive a lump sum distribution and reduced
63 monthly base pension shall be void if the member dies before retirement, in which case
64 amounts due a surviving spouse or other beneficiary of the member shall be determined
65 without regard to such election.

86.1590. 1. Provided that the retirement system shall remain actuarially sound,
2 each of the following persons may receive each year, in addition to such person's base
3 pension, a cost-of-living adjustment in an amount not to exceed three percent of such
4 person's base pension during any one year:

5 (1) Every member who is retired and receiving a base pension from this retirement
6 system; and

7 (2) Every surviving spouse who is receiving a base pension from this retirement
8 system.

9 2. Upon the death of a member who has been retired and receiving a pension, and
10 who dies after August 28, 2001, the surviving spouse of such member entitled to receive a
11 base pension under section 86.1610 shall receive an immediate percentage cost-of-living
12 adjustment to his or her base pension equal to the total percentage cost-of-living
13 adjustments received during such member's lifetime under this section, but such
14 adjustment shall not be deemed to change the base pension amount to which subsequent
15 cost-of-living adjustments may be made.

16 3. For purposes of this section, the term "base pension" shall mean:

17 (1) For a member, the pension computed under the provisions of the law as of the
18 date of retirement without regard to cost-of-living adjustments, as adjusted if applicable,
19 for any optional elections made under sections 86.1540 and 86.1580, but in all events not
20 including any supplemental benefit under section 86.1600;

21 (2) For a surviving spouse whose pension is prescribed by section 86.1610, the base
22 pension calculated for such spouse in accordance with the provisions of section 86.1610,
23 including any compensation as a consultant to which such surviving spouse is entitled
24 under said section in lieu of a pension, but not including any supplemental benefit under
25 section 86.1600;

26 (3) For a surviving spouse entitled to the continuation of an optional benefit elected
27 under subsection 3 of section 86.1540, the base pension determined in accordance with
28 subdivision (3) of subsection 3 of section 86.1540.

29 4. The cost-of-living adjustment shall be an increase or decrease computed on the
30 base pension amount by the retirement board in an amount that the board, in its
31 discretion, determines to be satisfactory, but in no event shall the adjustment be more than
32 three percent or reduce the pension to an amount less than the base pension. In
33 determining and granting the cost-of-living adjustments, the retirement board shall adopt
34 such rules and regulations as may be necessary to effectuate the purposes of this section,
35 including provisions for the manner of computation of such adjustments and the effective
36 dates thereof. The retirement board shall provide for such adjustments to be determined
37 once each year and granted on a date or dates to be chosen by the board, and may apply
38 such adjustments in full to members who have retired during the year prior to such
39 adjustments but who have not been retired for one full year and to the surviving spouse
40 of a member who has died during the year prior to such adjustments.

41 **5. The determination of whether the retirement system will remain actuarially**
42 **sound shall be made at the time any cost-of-living adjustment is granted. If at any time the**
43 **retirement system ceases to be actuarially sound, pension payments shall continue as**
44 **adjusted by increases theretofore granted. A member of the retirement board shall have**
45 **no personal liability for granting increases under this section if that retirement board**
46 **member in good faith relied and acted upon advice of a qualified actuary that the**
47 **retirement system would remain actuarially sound.**

86.1600. 1. Any member who retires subsequent to August 28, 1997, with
2 **entitlement to a pension under sections 86.1310 to 86.1640, shall receive each month, in**
3 **addition to such member's base pension and cost-of-living adjustments thereto under**
4 **section 86.1590, and in addition to any other compensation or benefit to which such**
5 **member may be entitled under sections 86.1310 to 86.1640, a supplemental retirement**
6 **benefit of fifty dollars per month. The amount of such supplemental retirement benefit**
7 **may be adjusted by cost-of-living adjustments determined by the retirement board not**
8 **more frequently than annually. Such determination shall be based on advice of the plan's**
9 **actuary that the increase in the benefit will not cause the present value of anticipated**
10 **future plan benefits, calculated on the actuarial assumptions used for the most recent**
11 **annual valuation, to exceed the sum of the trust fund assets plus the present value of**
12 **anticipated contributions to the trust fund.**

13 **2. Any member who was retired on or before August 28, 1997, and is receiving**
14 **retirement benefits from the retirement system shall, upon application to the retirement**
15 **board, be retained as a consultant, and for such services such member shall receive each**
16 **month, in addition to such member's base pension and cost-of-living adjustments thereto**
17 **under section 86.1590, and in addition to any other compensation or benefit to which such**
18 **member may be entitled under sections 86.1310 to 86.1640, a supplemental compensation**
19 **in the amount of fifty dollars per month. This appointment as a consultant shall in no way**
20 **affect any member's eligibility for retirement benefits under the provisions of sections**
21 **86.1310 to 86.1640, or in any way have the effect of reducing retirement benefits otherwise**
22 **payable to such member. The amount of such supplemental compensation under this**
23 **subsection may be adjusted by cost-of-living adjustments determined by the retirement**
24 **board not more frequently than annually. Such determination shall be based on advice of**
25 **the plan's actuary that the increase in the benefit will not cause the present value of**
26 **anticipated future plan benefits, calculated on the actuarial assumptions used for the most**
27 **recent annual valuation, to exceed the sum of the trust fund assets plus the present value**
28 **of anticipated contributions to the trust fund.**

29 **3. In determining and granting the cost-of-living adjustments under this section,**
30 **the retirement board shall adopt such rules and regulations as may be necessary to**
31 **effectuate the purposes of this section, including provisions for the manner of computation**
32 **of such adjustments and the effective dates thereof. The retirement board shall provide**
33 **for such adjustments to be determined once each year and granted on a date or dates to be**
34 **chosen by the board. The retirement board shall not be required to prorate the initial**
35 **adjustment to any supplemental retirement benefit or any supplemental compensation**
36 **under this section for any member.**

37 **4. For purposes of subsections 1 and 2 of this section, the term "member" shall**
38 **include a surviving spouse who is entitled to a benefit under sections 86.1310 to 86.1640,**
39 **who shall be deemed to have retired for purposes of this section on the date of retirement**
40 **of the member of whom such person is the surviving spouse or on the date of death of such**
41 **member if such member died prior to retirement. All benefits payable to a surviving**
42 **spouse under this section shall be in addition to all other benefits to which such surviving**
43 **spouse may be entitled under other provisions of sections 86.1310 to 86.1640. Any such**
44 **surviving spouse of a member who dies while entitled to payments under this section shall**
45 **succeed to the full amount of payment under this section to which such member was**
46 **entitled at the time of such member's death, including any cost-of-living adjustments**
47 **received by such member in the payment under this section prior to such member's death.**

48 **5. The determination of whether the retirement system will remain actuarially**
49 **sound shall be made at the time any cost-of-living adjustment under this section is granted.**
50 **If at any time the retirement system ceases to be actuarially sound, supplemental**
51 **retirement benefit payments under subsection 1 of this section and supplemental**
52 **compensation payments as a consultant under subsection 2 of this section shall continue**
53 **as adjusted by increases or decreases theretofore granted. A member of the retirement**
54 **board shall have no personal liability for granting increases under this section if that**
55 **retirement board member in good faith relied and acted upon advice of a qualified actuary**
56 **that the retirement system would remain actuarially sound.**

86.1610. 1. Upon receipt of the proper proofs of death of a member in service for
2 **any reason whatsoever, the following amounts shall be payable subject to subsection 4 of**
3 **this section, and if a pension shall be elected, the initial amount thereof shall be the base**
4 **pension for such surviving spouse:**

5 **(1) If the member has less than five years of creditable service, the member's**
6 **surviving spouse shall be paid, in one lump sum, the amount of the member's accumulated**
7 **contributions. If there is no surviving spouse, the member's accumulated contributions**
8 **shall be paid to the member's designated beneficiary, or if none, to the executor or**

9 administrator of the member's estate, and such payment shall be full and final settlement
10 for all amounts due from the retirement system with respect to such member except as
11 provided in subsection 1 of section 86.1620;

12 (2) If the member has at least five but fewer than twenty years of creditable service,
13 the member's surviving spouse may elect the lump sum settlement in subdivision (1) of this
14 subsection or a pension. Such pension shall be fifty percent of the member's accrued
15 pension at date of death as computed in subdivision (1) of subsection 1 of section 86.1540,
16 commencing on the later of the day after the member's death, or the date which would
17 have been the member's earliest possible retirement date permitted under subsection 2 of
18 section 86.1540;

19 (3) If the member has at least twenty years of creditable service, the member's
20 surviving spouse may elect any one of:

21 (a) The lump sum settlement in subdivision (1) of this subsection;

22 (b) The pension as computed in subdivision (2) of this subsection; or

23 (c) A pension in the monthly amount determined on a joint and survivor's basis
24 from the actuarial value of the member's accrued annuity at date of death;

25 (4) Any death of a retired member occurring before the first payment of the
26 retirement pension shall be deemed to be a death prior to retirement;

27 (5) For the surviving spouse of a member who died in service after August 28, 2001,
28 benefits payable under subsection 1 of this section shall continue for the lifetime of such
29 surviving spouse without regard to remarriage.

30 2. Upon death of a member after retirement who has not elected the optional
31 annuity permitted under subsection 3 of section 86.1540, the surviving spouse shall receive
32 a base pension payable for life, equaling fifty percent of the member's base pension, as of
33 the member's retirement date, subject to the following:

34 (1) No surviving spouse of a member who retires after August 28, 2001, shall be
35 entitled to receive any benefits under sections 86.1310 to 86.1640 unless such spouse was
36 married to the member at the time of the member's retirement; and

37 (2) Any surviving spouse who was married to such a member at the time of the
38 member's retirement shall be entitled to all benefits for surviving spouses under sections
39 86.1310 to 86.1640 for the life of such surviving spouse without regard to remarriage.

40 3. In the case of any member who, prior to August 28, 2001, died in service or
41 retired, the surviving spouse who would qualify for benefits under subsection 1 or 2 of this
42 section but for remarriage, and has not remarried prior to August 28, 2001, but remarries
43 thereafter, shall upon application be appointed by the retirement board as a consultant.
44 For services as such consultant, such surviving spouse shall be compensated in an amount

45 equal to the benefits such spouse would have received under sections 86.1310 to 86.1640
46 in the absence of such remarriage.

47 **4. Any beneficiary of benefits under sections 86.1310 to 86.1640 who becomes the**
48 **surviving spouse of more than one member shall be paid all benefits due a surviving spouse**
49 **of that member whose entitlements produce the largest surviving spouse benefits for such**
50 **beneficiary but shall not be paid surviving spouse benefits as the surviving spouse of more**
51 **than one member, except that any surviving spouse for whom an election has been made**
52 **for an optional benefit under subsection 3 of section 86.1540 shall be entitled to every**
53 **optional benefit for which such surviving spouse has so contracted.**

54 **5. The final payment due any surviving beneficiary shall be the payment due on the**
55 **first day of the month in which such beneficiary dies or otherwise ceases to be entitled to**
56 **benefits under this section.**

57 **6. If there is no surviving spouse, payment of the member's accumulated**
58 **contributions less the amount of any prior payments from the retirement system to the**
59 **member or to any beneficiary of the member shall be made to the member's designated**
60 **beneficiary or, if none, to the personal representative of the member's estate.**

86.1620. 1. (1) Upon the death after August 28, 2003, of a member in service, or
2 **upon the death of a member who was in service on or after August 28, 2003, and who dies**
3 **after having been retired and pensioned, there shall be paid, in addition to all other**
4 **benefits, a funeral benefit of one thousand dollars to the person or entity who provided or**
5 **paid for the funeral services for such member.**

6 **(2) Any member who was retired on or before August 28, 2003, and is receiving**
7 **retirement benefits from the retirement system, upon application to the retirement board,**
8 **shall be appointed by the retirement board as a consultant for the remainder of such**
9 **member's life. Upon the death of such member, there shall be paid, in addition to all other**
10 **benefits, a funeral benefit of one thousand dollars to the person or entity who provided or**
11 **paid for the funeral services for such member.**

12 **2. If no benefits are otherwise payable to a surviving spouse of a deceased member,**
13 **the member's accumulated contributions, to any extent not fully paid to such member prior**
14 **to the member's death or to the surviving spouse of such member, shall be paid in one**
15 **lump sum to the member's named beneficiary or, if none, to the member's estate, and such**
16 **payment shall constitute full and final payment of any and all claims for benefits under the**
17 **retirement system.**

86.1630. 1. A retirement plan under sections 86.1310 to 86.1640 is a qualified plan
2 **under the provisions of applicable federal law. The benefits and conditions of a retirement**

3 plan under sections 86.1310 to 86.1640 shall always be adjusted to ensure that the tax-
4 exempt status is maintained.

5 2. The retirement board shall administer this retirement system in such manner as
6 to retain at all times qualified status under Section 401(a) of the Internal Revenue Code.

7 3. The retirement board shall hold in trust the assets of the retirement system for
8 the exclusive benefit of the members and their beneficiaries and for defraying reasonable
9 administrative expenses of the system. No part of such assets shall, at any time prior to the
10 satisfaction of all liabilities with respect to members and their beneficiaries, be used for or
11 diverted to any purpose other than such exclusive benefit or to any purpose inconsistent
12 with sections 86.1310 to 86.1640.

13 4. A member's benefit shall be one hundred percent vested and nonforfeitable upon
14 the member's attainment of normal retirement age, which shall be the earlier of:

15 (1) The attaining of the age of sixty-five or the member's tenth anniversary of
16 employment, whichever is later;

17 (2) When the total sum of age and years of service equals or exceeds eighty; or

18 (3) To the extent funded, upon the termination of the system established under
19 sections 86.1310 to 86.1640 or any partial termination which affects the member or any
20 complete discontinuance of contributions by the city to the system.

21

22 Amounts representing forfeited nonvested benefits of terminated members shall not be
23 used to increase benefits payable from the system but may be used to reduce contributions
24 for future plan years.

25 5. Distribution of benefits shall begin not later than April first of the year following
26 the later of the calendar year during which the member becomes seventy and one-half
27 years of age or the calendar year in which the member retires, and shall otherwise conform
28 to Section 401(a)(9) of the Internal Revenue Code.

29 6. A member or beneficiary of a member shall not accrue a service retirement
30 annuity, disability retirement annuity, death benefit, whether death occurs in the line of
31 duty or otherwise, or any other benefit under sections 86.1310 to 86.1640 in excess of the
32 benefit limits applicable to the fund under Section 415 of the Internal Revenue Code. The
33 retirement board shall reduce the amount of any benefit that exceeds the limits of this
34 section by the amount of the excess. If the total benefits under the retirement system and
35 the benefits and contributions to which any member is entitled under any other qualified
36 plan or plans maintained by the board of police commissioners that employs the member
37 would otherwise exceed the applicable limits under Section 415 of the Internal Revenue
38 Code, the benefits the member would otherwise receive from the retirement system are

39 reduced to the extent necessary to enable the benefits to comply with Section 415 of the
40 Internal Revenue Code.

41 7. The total salary taken into account for any purpose for any member of the
42 retirement system shall not exceed two hundred thousand dollars per year, subject to
43 periodic adjustments in accordance with guidelines provided by the United States
44 Secretary of the Treasury and may not exceed such other limits as may be applicable at any
45 given time under Section 401(a)(17) of the Internal Revenue Code.

46 8. If the amount of any benefit is determined on the basis of actuarial assumptions
47 that are not specifically set forth for that purpose in sections 86.1310 to 86.1640, the
48 actuarial assumptions to be used are those earnings and mortality assumptions used on the
49 date of the determination by the retirement system's actuary and approved by the
50 retirement board. The actuarial assumptions used at any particular time shall be attached
51 as an addendum to a copy of the retirement system's statute maintained by the retirement
52 board and shall be treated for all purposes as part of sections 86.1310 to 86.1640. The
53 actuarial assumptions may be changed by the retirement system's actuary annually if
54 approved by the retirement board, but a change in actuarial assumptions shall not result
55 in any decrease in benefits accrued as of the effective date of the change.

56 9. Any member or beneficiary who is entitled to receive any distribution that is an
57 eligible rollover distribution, as defined by Section 402(c)(4) of the Internal Revenue Code,
58 is entitled to have that distribution transferred directly to another eligible retirement plan
59 of the member's or beneficiary's choice upon providing direction to the secretary of the
60 retirement system regarding the transfer in accordance with procedures established by the
61 retirement board.

62 10. For all distributions made after December 31, 2001:

63 (1) For the purposes of subsection 9 of this section, an eligible retirement plan shall
64 also mean an annuity described in Section 403(b) of the Internal Revenue Code and an
65 eligible plan under Section 457(b) of the Internal Revenue Code that is maintained by a
66 state, political subdivision of a state, or any agency or instrumentality of a state or political
67 subdivision of a state and which agrees to separately account for amounts transferred into
68 such plan from the retirement system. The definition for eligible retirement plan shall also
69 apply in the case of a distribution to a surviving spouse or to a spouse or former spouse
70 who is the alternate payee under a qualified domestic relations order, as defined in Section
71 414(p) of the Internal Revenue Code; and

72 (2) For the purposes of subsection 9 of this section, a portion of a distribution shall
73 not fail to be an eligible rollover distribution merely because the portion consists of after-
74 tax employee contributions which are not includable in gross income. However, such

75 portion may be paid only to an individual retirement account or annuity described in
76 Section 408(a) or 408(b) of the Internal Revenue Code, or to a qualified defined
77 contribution plan described in Section 401(a) or 403(a) of the Internal Revenue Code that
78 agrees to separately account for amounts so transferred, including separately accounting
79 for the portion of such distribution that is includable in gross income and the portion of
80 such distribution that is not so includable.

86.1640. If a city and the police department of such city adopt any program of
2 incentives to authorize or encourage early retirements, whether for employees not yet
3 eligible for regular retirement or for employees who are eligible but have not yet chosen
4 to retire or for both, the retirement board shall be authorized to administer and pay such
5 incentives for retirees who accept such incentives and are members of the retirement
6 system under sections 86.1310 to 86.1640, in addition to such other benefits as such
7 members or their beneficiaries are entitled to receive under sections 86.1310 to 86.1640,
8 provided such city shall so request and shall agree to increase said city's contribution
9 under section 86.1390 sufficiently to provide the full actuarial cost of any such incentives
10 in addition to the contribution required of such city necessary, in conjunction with
11 members' contributions under section 86.1400, to provide all other benefits provided under
12 sections 86.1310 to 86.1640.

[86.370. The following words and phrases as used in sections 86.370 to
2 86.497, unless a different meaning is plainly required by the context, shall have
3 the following meanings, and the use of masculine gender shall include the
4 feminine:

5 (1) "Accumulated contributions", the sum of all amounts deducted from
6 the compensation of a member and paid to the retirement board, together with all
7 amounts paid to the retirement board by a member or by a member's beneficiary,
8 for the purchase of prior service credits or any other purpose permitted under
9 sections 86.370 to 86.497;

10 (2) "Beneficiary", any person in receipt of pension or other benefit as
11 provided in sections 86.370 to 86.497;

12 (3) "Board of police commissioners", any board composed of police
13 commissioners and any other officials or boards authorized by law to employ and
14 manage an organized police force in the cities;

15 (4) "City" or "cities", any city which now has or may hereafter have a
16 population of more than three hundred thousand and less than seven hundred
17 thousand inhabitants;

18 (5) "Compensation", whenever used in connection with members of the
19 police retirement system created by sections 86.370 to 86.497, and whether used
20 solely or as part of another defined term, the regular compensation which a
21 member would earn during one year on the basis of the stated compensation for
22 his rank and position, and therefore excluding any overtime pay, meal and travel

23 expenses, uniform or other clothing allowances, any sick leave or vacation
24 entitlements accrued from prior years, college incentive or skill incentive
25 allowances and any other allowances available only to particular individuals and
26 not a part of the base stated compensation for all persons holding the given rank
27 and position; except that, notwithstanding the foregoing, compensation for any
28 year for any member shall not exceed the amount permitted to be taken into
29 account under and pursuant to Section 401(a)(17) of the Internal Revenue Code
30 as applicable to such year;

31 (6) "Creditable service", prior service plus membership service as
32 provided in section 86.423;

33 (7) "Final compensation", the average annual compensation of a member
34 during his service if less than two years, or the twenty-four months of his service
35 for which he or she received the highest salary whether consecutive or otherwise.
36 In computing the average annual compensation of a member under this
37 subdivision, no compensation received for service which occurred after the
38 thirtieth full year of membership service and no compensation attributable to any
39 time a member was suspended from service without pay shall be included. For
40 any period of time when a member is paid on a frequency other than monthly, the
41 member's salary for such period shall be deemed to be the monthly equivalent of
42 the member's annual rate of compensation for such period;

43 (8) "Fiscal year", the fiscal year of the cities;

44 (9) "Internal Revenue Code", the United States Internal Revenue
45 Code of 1986, as amended;

46 (10) "Medical board", not less than one nor more than three physicians
47 appointed by the retirement board to arrange for and conduct medical
48 examinations as directed by the retirement board;

49 (11) "Member", a member of the police retirement system as defined in
50 section 86.380;

51 (12) "Membership service", all service rendered as a policeman for
52 compensation after June 15, 1946, excluding all probationary service of six
53 months or less served prior to May 1, 1951;

54 (13) "Pension", annual payments for life, payable monthly, beginning
55 with the date of retirement and ending with death; if the total of such monthly
56 payments plus benefits pursuant to section 86.447 is less than the total of the
57 member's accumulated contributions, the excess of such accumulated
58 contributions over the total of such monthly payments shall be paid in one sum
59 to the beneficiary named by the member;

60 (14) "Pension fund", the fund resulting from contributions made thereto
61 by the cities affected by sections 86.370 to 86.497 and by the members of the
62 police retirement system;

63 (15) "Police officer", entitled to membership in the police retirement
64 system created by sections 86.370 to 86.497, is an officer or member of the police
65 department of the cities employed for compensation by the boards of police

66 commissioners of the cities for police duty and includes the chief of police,
67 lieutenant colonels, majors, superintendents, captains, lieutenants, sergeants,
68 corporals, detectives, patrolmen, supervisors, technicians, radio operators, radio
69 dispatchers, jailers, and matrons, but does not include any police commissioner
70 or members of the police reserve corps, or special officers appointed to serve at
71 elections, or temporary police appointed at school crossings or special officers
72 appointed to serve during emergencies, or anyone employed in a clerical or other
73 capacity not involving police duties; except that any policeman as herein defined,
74 who is assigned to the performance of other duties for the police departments of
75 the cities, by reason of personal injury by accident or disability arising out of and
76 in the course of his employment as a policeman, shall be and remain a member
77 of the police retirement system without regard to the duties performed under such
78 assignment; in case of dispute as to whether any person is a policeman qualified
79 for membership in the retirement system, the decision of the board of police
80 commissioners shall be final;

81 (16) "Retirement board", the board provided in section 86.393 to
82 administer the retirement system;

83 (17) "Retirement system", the police retirement system of the cities as defined
84 in section 86.373.]
85

[86.373. In all cities that now have or may hereafter attain a population
2 of more than three hundred thousand and less than seven hundred thousand
3 inhabitants according to the last preceding federal decennial census, there are
4 hereby created and established retirement or pension systems for the purpose of
5 providing retirement allowances for policemen of such cities. Any city which has
6 established a police retirement system under the provisions of sections 86.370 to
7 86.497 may elect to continue its police retirement system under the provisions of
8 sections 86.370 to 86.497 even though the city may cease to have the population
9 described in this section, and any city so electing to continue its established
10 police retirement system shall be excused from creating or maintaining any other
11 police retirement system under any other provisions of the Missouri statutes.
12 Each system shall be under the management of a retirement board hereinafter
13 described and shall be known as the "Police Retirement System of (name of
14 city)", and by such name all of its business shall be transacted, and all of its cash
15 and other property held. The retirement systems so created shall begin operation
16 as of the date sections 86.370 to 86.497 become effective.]

[86.374. 1. A retirement plan under and pursuant to sections 86.370 to
2 86.497 is a qualified plan pursuant to the provisions of applicable federal law.
3 The benefits and conditions of a retirement plan under and pursuant to sections
4 86.370 to 86.497 shall always be adjusted to ensure that the tax-exempt status is
5 maintained.

6 2. The retirement board shall administer this retirement system in a
7 manner as to retain at all times qualified status under and pursuant to Section
8 401(a) of the Internal Revenue Code.

9 3. The retirement board shall hold in trust the assets of this retirement
10 system for the exclusive benefit of the members and their beneficiaries and for
11 defraying reasonable administrative expenses of the system. No part of such
12 assets shall, at any time prior to the satisfaction of all liabilities with respect to
13 members and their beneficiaries, be used for or diverted to any purpose other than
14 such exclusive benefit or to any purpose inconsistent with sections 86.370 to
15 86.497.

16 4. A member's benefit shall be one hundred percent vested and
17 nonforfeitable upon the member's attainment of normal retirement age, which
18 shall be the earlier of:

- 19 (1) Completion of twenty-five years of service;
20 (2) Age sixty if the member has completed at least ten years of creditable
21 service;
22 (3) Age seventy without regard to years of service; or
23 (4) To the extent funded, upon the termination of the system established
24 under and pursuant to sections 86.370 to 86.497 or any partial termination which
25 affects the member or any complete discontinuance of contributions by the city
26 to the system.

27
28 Amounts representing forfeited nonvested benefits of terminated members shall
29 not be used to increase benefits payable from the system but may be used to
30 reduce contributions for future plan years.

31 5. Distribution of benefits shall begin not later than April first of the year
32 following the later of the calendar year during which the member becomes
33 seventy and one-half years of age or the calendar year in which the member
34 retires, and shall otherwise conform to Section 401(a)(9) of the Internal Revenue
35 Code.

36 6. A member or beneficiary of a member shall not accrue a service
37 retirement annuity, disability retirement annuity, death benefit, whether death
38 occurs in the line of duty or otherwise, or any other benefit under and pursuant
39 to sections 86.370 to 86.497 in excess of the benefit limits applicable to the fund
40 under and pursuant to Section 415 of the Internal Revenue Code. The retirement
41 board shall reduce the amount of any benefit that exceeds those limits by the
42 amount of the excess. If the total benefits under this retirement system and the
43 benefits and contributions to which any member is entitled under any other
44 qualified plan or plans maintained by the board of police commissioners that
45 employs the member would otherwise exceed the applicable limits under and
46 pursuant to Section 415 of the Internal Revenue Code, the benefits the member
47 would otherwise receive from this retirement system shall be reduced to the

48 extent necessary to enable the benefits to comply with Section 415 of the Internal
49 Revenue Code.

50 7. The total salary taken into account for any purpose for any member of
51 this retirement system shall not exceed two hundred thousand dollars per year,
52 subject to periodic adjustments in accordance with guidelines provided by the
53 United States Secretary of the Treasury, and shall not exceed such other limits as
54 may be applicable at any given time under and pursuant to Section 401(a)(17) of
55 the Internal Revenue Code.

56 8. If the amount of any benefit is to be determined on the basis of
57 actuarial assumptions that are not otherwise specifically set forth for that purpose
58 in sections 86.370 to 86.497, the actuarial assumptions to be used are those
59 earnings and mortality assumptions being used on the date of the determination
60 by the retirement system's actuary and approved by the retirement board. The
61 actuarial assumptions being used at any particular time shall be attached as an
62 addendum to a copy of the retirement system's statute that is maintained by the
63 retirement board and shall be treated for all purposes as a part of sections 86.370
64 to 86.497. The actuarial assumptions may be changed by the retirement system's
65 actuary annually if approved by the retirement board, but a change in actuarial
66 assumptions shall not result in any decrease in benefits accrued as of the effective
67 date of the change.

68 9. Any member or beneficiary who is entitled to receive any distribution
69 that is an eligible rollover distribution, as defined by Section 402(c)(4) of the
70 Internal Revenue Code, is entitled to have that distribution transferred directly to
71 another eligible retirement plan of the member's or beneficiary's choice upon
72 providing direction to the secretary of this retirement system regarding the
73 transfer in accordance with procedures established by the retirement board.

74 10. For all distributions made after December 31, 2001:

75 (1) For the purposes of subsection 9 of this section, an eligible retirement
76 plan shall also mean an annuity contract described in Section 403(b) of the
77 Internal Revenue Code and an eligible plan under and pursuant to Section 457(b)
78 of the Internal Revenue Code which is maintained by the state, political
79 subdivision of a state, or any agency or instrumentality of a state or political
80 subdivision of a state and which agrees to separately account for amounts
81 transferred into such plan from this retirement system. The definition of eligible
82 retirement plan shall also apply in the case of a distribution to a surviving spouse
83 or to a spouse or former spouse who is the alternate payee under a qualified
84 domestic relations order, as defined in Section 414(p) of the Internal Revenue
85 Code; and

86 (2) For purposes of subsection 9 of this section, a portion of a distribution
87 shall not fail to be an eligible rollover distribution merely because the portion
88 consists of after-tax employee contributions which are not includable in gross
89 income. However, such portion may be paid only to an individual retirement
90 account or annuity described in Section 408(a) or 408(b) of the Internal Revenue

91 Code, or to a qualified defined contribution plan described in Section 401(a) or
92 403(a) of the Internal Revenue Code that agrees to separately account for
93 amounts so transferred, including separately accounting for the portion of such
94 distribution that is includable in gross income and the portion of such distribution
95 that is not so includable.]

96

2 [86.377. All persons who enter or reenter the service of the said cities as
3 policemen as defined in sections 86.370 to 86.497 for compensation after the date
4 this police retirement system becomes effective shall become members thereof
5 as a condition of their employment and shall receive no retirement or pension
6 allowance from any other retirement or pension system supported wholly or in
7 part by the said cities or the state of Missouri, nor shall they be required to make
8 contributions under any other retirement or pension system of the said cities or
9 the state. However, nothing in sections 86.370 to 86.497 shall be construed to
10 prevent the inauguration of the federal Social Security laws for policemen as
11 defined in sections 86.370 to 86.497, nor to prevent the contribution to such
12 Social Security administration or fund established by the federal government, nor
13 by it the pensioning of such policemen. In the event that federal or state Social
14 Security benefits are made available to policemen covered by sections 86.370 to
15 86.497 then any benefits payable to any member, or the dependents of such
16 member under sections 86.370 to 86.497, shall be in addition to the amount of
17 such Social Security benefits, and any contributions required by a member
18 hereunder shall be in addition to the amount of such member's contribution under
19 such Social Security system.]

19

2 [86.380. 1. All policemen as defined in sections 86.370 to 86.497 in
3 service on the date this police retirement system becomes operative shall become
4 members as of that date unless prior thereto any such policeman shall have filed
5 with the retirement board on a form prescribed by such board, a notice of his
6 election not to become a member of the police retirement system, together with
7 a duly executed waiver of all present and prospective benefits which would
8 otherwise inure to him or his beneficiaries on account of his participation in such
9 police retirement system.

10 2. Any policeman who left the service of the police department to enter
11 military service in a national emergency subsequent to October 16, 1940, and
12 who shall return to police service with such department within one year after his
13 discharge from the military service, shall be given credit for any prior service he
14 may have rendered.

15 3. Any policeman reentering police service after January 1, 1946, who
16 had completed five years of prior creditable service may be given credit toward
17 retirement for that service upon recommendation of the chief of police and
18 approval of the board of police commissioners, subject, however, to the condition
19 that such policeman deposit in the pension fund of the police retirement system

19 a sum equal to the accumulated contributions which had been paid to him out of
20 the pension fund upon or subsequent to the date that he left the police service and
21 subject to subsection 2 referring to military service. Such repayment of
22 withdrawn contributions shall be accompanied by an additional payment of
23 interest in the amount of the actual net yield earned or incurred by the pension
24 fund, including both net income after expenses and net appreciation or
25 depreciation in values of the fund, whether realized or unrealized, during the
26 period of time from the date upon which such contributions had been withdrawn
27 to the date of repayment thereof, determined in accordance with such rules for
28 valuation and accounting as may be adopted by the retirement board for such
29 purposes.]
30

2 [86.383. Any policeman whose membership is contingent on his own
3 election and who elects not to become a member may thereafter revoke such
4 election and become a member, but no such policeman shall receive credit for
5 prior police service unless he becomes a member within ninety days from the
6 date the police retirement system becomes effective.]

2 [86.387. Should any member be absent by authority of the board of police
3 commissioners in military service or should he be granted temporary leave of
4 absence by the board of police commissioners after the passage of sections
5 86.370 to 86.497, he shall not, because of such absence, cease to be a member.
6 A member absent for military service shall be entitled to such credits as are
7 permitted by section 86.430. If a member is on temporary leave of absence for
8 one month or less, such member shall receive service credit for such time. If a
9 member is on temporary leave of absence for more than one month without
10 compensation, such member shall not receive service credits for such time unless
11 such member shall, within one year of his return from such absence, pay into the
12 retirement system fund an amount equal to the member's contribution percentage
13 at the time such absence began times an assumed salary figure for the period of
14 such absence, computed by assuming that such member received a salary during
15 his absence at the rate of the base annual salary the member was receiving
16 immediately prior to his absence.]

2 [86.390. 1. Each person who becomes a member of this police retirement
3 system pursuant to the provisions of sections 86.370 to 86.497 shall remain a
4 member until the earliest to occur of the following events:

5 (1) The termination of service of such person and the payment to such
6 person of all benefits due such person pursuant to the provisions of sections
7 86.370 to 86.497, unless such termination of service with the police department
8 shall be for the purpose of entering military service in a national emergency;

9 (2) The termination of service with the police department to enter
military service in a national emergency and the failure of such person to return

10 to police service with such department within one year after his discharge from
11 the military service, unless there shall remain benefits due such person pursuant
12 to the provisions of sections 86.370 to 86.497, in which event such person's
13 membership shall terminate pursuant to this subdivision when there shall no
14 longer remain any such benefits due such person; and

15 (3) The death of such person.

16 2. If the surviving spouse of a member is entitled to a pension benefit
17 hereunder, such surviving spouse shall be a member of the retirement system for
18 so long as such surviving spouse shall remain entitled to such benefit. Any
19 beneficiary or survivor of a deceased member shall not be a member of this
20 police retirement system if such beneficiary or survivor is not a surviving spouse
21 entitled to benefits pursuant to the provisions of sections 86.370 to 86.497,
22 irrespective of whether there may remain benefits due such beneficiary or
23 survivor from this system.]
24

2 [86.393. 1. The general administration and the responsibility for the
3 proper operation of the retirement system and for making effective the provisions
4 of sections 86.370 to 86.497 are hereby vested in a retirement board of nine
5 persons.

6 2. The board shall be constituted as follows:

7 (1) Two members, one of whom shall be of the political party casting the
8 highest number of votes statewide for governor in the election next preceding
9 such member's selection and the other of whom shall be of the political party
10 casting the next highest number of votes statewide for governor at the election
11 next preceding such member's selection, to be selected by the board of police
12 commissioners of such cities to serve one- and two-year terms respectively. All
13 such subsequent members shall serve for terms of two years each or to fill an
14 unexpired term.

15 (2) Two members, one of whom shall be of the political party casting the
16 highest number of votes statewide for governor in the election next preceding
17 such member's selection and the other of whom shall be of the political party
18 casting the next highest number of votes statewide for governor at the election
19 next preceding such member's selection to be selected by the city council of said
20 city, one of whom may be the director of finance of such city to act as ex officio
21 member, and the other to serve for a term of two years.

22 (3) Five members shall be elected for three-year terms respectively or to
23 fill an unexpired term, in annual elections in which each member of the police
24 retirement system and, if such city has established a civilian employees'
25 retirement system of the police department of such city pursuant to the provisions
26 of sections 86.600 to 86.790, each member of such civilian employees' retirement
system shall be entitled to one vote.

27 3. Commencing with the first annual election for members of the
28 retirement board in 2004, the five elected members of the board shall be
29 designated and elected as follows:

30 (1) If a city has established a civilian employees' retirement system of the
31 police department of such city pursuant to the provisions of sections 86.600 to
32 86.790, the elected members of the retirement board of such city shall consist of
33 three restricted members and two open members:

34 (a) One restricted member shall be a member of the police retirement
35 system who has retired from active service with the police department as of the
36 date of such member's election to the board;

37 (b) One restricted member shall be a member of the police retirement
38 system who, as of the date of such member's election to the board, is in active
39 service as a police officer and has not attained the rank of sergeant or higher;

40 (c) One restricted member shall be a member of the civilian employees'
41 retirement system of the police department of such city.

42
43 There shall be no required qualifications for open members. At the annual
44 election in 2004 and each third year thereafter, one open member shall be elected
45 to a three-year term. At the annual election in 2005 and each third year
46 thereafter, one open member shall be elected to a three-year term. At the annual
47 election in 2006 and each third year thereafter, the three restricted members shall
48 be elected to a three-year term. Such elections shall be conducted simultaneously
49 but as elections for three separate offices, in which only persons qualified for a
50 respective office may be a candidate for such office;

51 (2) If a city has not established a civilian employees' retirement system
52 of the police department of such city pursuant to the provisions of sections
53 86.600 to 86.790, the elected members of the retirement board of such city shall
54 consist of two restricted members and three open members. All provisions of
55 subdivision (1) of this subsection shall apply, except that the restricted
56 membership provided for a member of a civilian employees' retirement system
57 shall be an open membership;

58 (3) In every election in which more than one position is to be filled,
59 either for a three-year term or for the unexpired portion of the term of a position
60 which has become vacant, every candidate in such election must declare the
61 position to which such candidate desires to be elected; and no person may be a
62 candidate for more than one such position in any given election;

63 (4) Any person elected to a restricted position on the retirement board
64 who at the time of such election meets the qualifications for such position shall
65 be deemed to continue to meet such qualifications throughout the term to which
66 such person was elected, regardless of any change in the rank, classification or
67 other employment status of such person.

68 4. If a vacancy occurs in the office of a member of the retirement board the vacancy shall
69 be filled for the unexpired term in the same manner as the vacated office was previously filled.]

70

[86.394. Each member of the retirement board who is in active service with the police department of a city as either a police officer, as defined in section 86.370, or as an employee, as defined in section 86.600, shall be granted authorized leave with pay by such police department to attend any and all educational seminars and like functions that have been authorized by the retirement board, including travel time to and from such functions, not to exceed ten days in any calendar year. Leave granted under this section shall not reduce vacation or other authorized leave time to which such member may be entitled without reference to this section.]

10

[86.397. The members of the retirement board shall be compensated in full for all services rendered pursuant to the provisions of sections 86.370 to 86.497 at the rate of ten dollars per business session actually attended but no member shall be so compensated in an amount exceeding one hundred and fifty dollars in any fiscal year regardless of the amount of services rendered or the number of business sessions actually attended. They shall be reimbursed from the funds of the police retirement system for all necessary expenses which they may incur on said board, in addition to their compensation for services.]

9

[86.398. 1. The retirement board may purchase with retirement system assets from one or more insurers licensed to do business in this state one or more insurance policies that provide for reimbursement of this retirement system and any trustee, member of the retirement board, officer, or employee of the retirement system for liability imposed or damages because of an alleged act, error, or omission committed in the trustee's, board member's, officer's, or employee's capacity as a fiduciary, officer, or employee of the retirement system and for costs and expenses, including attorney fees, incurred as a trustee, board member, officer, or employee in defense of a claim for an alleged act, error, or omission, as long as the insurance policy does not provide for reimbursement of a trustee, board member, officer, or employee for liability imposed or expenses incurred because of the trustee's, board member's, officer's, or employee's personal dishonesty, fraud, lack of good faith, or intentional failure to act prudently.

10

11

12

13

14

15

2. If the insurance coverage described in subsection 1 of this section is insufficient or is not in effect, the retirement board may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a member of the retirement board, or is or was serving at the request of the retirement board in the capacity which caused the person's relationship to such action, suit or proceeding, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the

19

20

21

22

23

24 person in connection with such action, suit or proceeding, if the person acted in
25 good faith and without willful malfeasance, and, with respect to any criminal
26 action or proceeding, had reasonable cause to believe the relevant conduct was
27 lawful. The termination of any action, suit or proceeding by judgment, order,
28 settlement, conviction or upon a plea of nolo contendere or its equivalent, shall
29 not, of itself, create a presumption that the person did not act in good faith, or,
30 with respect to any criminal action or proceeding, that the person did not have
31 reasonable cause to believe that the relevant conduct was lawful.

32 3. To the extent that a member of the retirement board has been
33 successful on the merits or otherwise in defense of any action, suit or proceeding
34 referred to in subsections 1 and 2 of this section, or in defense of any claim, issue
35 or matter therein, the person shall be indemnified against expenses, including
36 attorneys' fees, actually and reasonably incurred in connection with the action,
37 suit or proceeding that are not covered by the insurance described in subsection
38 1 of this section.

39 4. Any indemnification under this section, unless ordered by a court, shall
40 be made by the retirement board only as authorized in each specific case upon a
41 determination that indemnification of any person potentially entitled to
42 indemnification hereunder is proper in the circumstances because the person has
43 met the applicable standard of conduct set forth in this section. The
44 determination shall be made by the retirement board by a majority vote of a
45 quorum consisting of members of the retirement board who are not parties to the
46 action, suit or proceeding, or if such a quorum is not obtainable, or even if
47 obtainable a quorum of disinterested members of the retirement board so directs,
48 by independent legal counsel in a written opinion. Such legal counsel may but
49 need not be counsel to the retirement system.

50 5. Expenses incurred in defending a civil or criminal action, suit or
51 proceeding may be paid by the retirement board in advance of the final
52 disposition of the action, suit or proceeding as authorized by the retirement board
53 in the specific case upon receipt of an undertaking by or on behalf of the person
54 potentially entitled to indemnification hereunder to repay such amount unless it
55 shall ultimately be determined that the person is entitled to be indemnified by the
56 retirement board as authorized in this section.]

57

2 [86.400. Each member of the retirement board shall, within ten days after
3 his appointment or election, take an oath of office, that, so far as it devolves upon
4 him, he will diligently and honestly administer the affairs of the said board, and
5 that he will not knowingly violate or willingly permit to be violated any of the
6 provisions of the law applicable to the police retirement system. Such oath shall
7 be subscribed to by the member and filed with the clerk of such city.]

2 [86.403. Each member of the retirement board shall be entitled to one
3 vote in the decisions of the board. Five votes or more in favor shall be necessary
4 to pass a motion by the retirement board at any meeting of the board.]

2 [86.407. 1. Subject to the limitations of sections 86.370 to 86.497 the
3 retirement board shall, from time to time, establish rules and regulations for the
4 administration of its assets, for the transaction of its business and for the conduct
5 of nominations and elections of the elected members of the retirement board.
6 The retirement board shall be deemed to be a state agency within the meaning of
7 chapter 536, RSMo.

8 2. The retirement board shall elect from its membership a chairman, a
9 vice chairman and a treasurer and shall, by majority vote of its members, appoint
10 a secretary, who may be, but need not be, one of its members. It may employ
11 such actuarial, legal and other services as may be necessary to transact the
12 business of the retirement system. The compensation of all persons employed by
13 the retirement board and all other expenses of the board necessary for the
14 operation of the retirement system shall be paid in such manner as the retirement
15 board shall determine; provided, that the compensation of such persons as may
16 be employed by the retirement board shall not be greater than the compensation
17 paid for comparable abilities by the governments of the cities in which said
18 retirement board is located.]

2 [86.410. 1. The retirement board shall keep in convenient form such data
3 as is necessary for administration of the retirement system. The retirement board
4 shall keep a record of all its proceedings which shall be open to public inspection.
5 It shall publish annually in pamphlet form a report prepared by certified public
6 accountants showing the fiscal transactions of the retirement system for the
7 preceding fiscal year, the status of assets and liabilities and the amount of cash
8 on hand. One copy of the annual report shall be delivered to each member of the
9 retirement system, one copy to each member of the retirement board, one copy
10 shall be filed with the city clerk and one copy delivered to each member of the
11 board of police commissioners.

12 2. The retirement board shall cause an actuarial study and calculation to
13 be made in 1959 based upon the experiences of the retirement system by an
14 independent firm of pension actuaries and shall cause actuarial studies and
15 calculations to be made each five years thereafter.]

2 [86.413. The retirement board shall before January tenth of each year
3 certify to the chief financial officer of said city, the amount to be paid by the city
4 under the retirement pension system for the succeeding fiscal year, as otherwise
5 provided by sections 86.370 to 86.497.]

2 [86.417. The retirement board shall adopt a common seal. The
3 retirement board may sue and be sued in its own name and such suits shall
4 constitute suits by or against the members of the retirement board in their
5 representative capacities and not as individuals.]

2 [86.420. 1. The retirement board's findings on all issues of fact shall be
3 final and conclusive upon all parties concerned, when such findings are supported
4 by competent and substantial evidence.

5 2. Rulings of the retirement board on questions of law and whether the
6 same is supported by competent and substantial evidence may be reviewed, upon
7 application of any party, by the circuit court of the county in which such cities are
8 located.]

2 [86.423. 1. Under such rules and regulations as the retirement board
3 shall adopt, each member who was a policeman, as defined in sections 86.370 to
4 86.497, on and prior to the date the police retirement system becomes operative
5 and who becomes a member within ninety days from such date shall file a
6 detailed statement of all prior service for which he claims credit.

7 2. The retirement board shall fix and determine by proper rules and
8 regulations how much service in any year is equivalent to one year of service, but
9 in no case shall more than one year of service be creditable for all service
10 rendered in one calendar year, nor shall the retirement board allow credit as
11 service for any period of more than one month's duration during which the
12 member was absent without pay, except for absence in the military service during
13 a national emergency.

14 3. Subject to the above restrictions and to such other rules and regulations
15 as the retirement board may adopt, the retirement board shall verify the prior
16 service claims as soon as practicable after the filing of such statement of service.]

2 [86.427. Upon verification of the statements of service, the retirement
3 board shall issue prior service certificates, certifying to each member the length
4 of prior service with which he is credited, and the final compensation of such
5 member computed as of June 15, 1946. So long as the holder of the certificate
6 continues to be a member, the prior service certificate shall be final and
7 conclusive for retirement purpose as to such service. Any member, within one
8 year from the date of issuance or modification of the certificate, may request the
9 retirement board to modify or correct his prior service certificate. When any
10 policeman ceases to be a member his prior service certificate shall become void.
11 Should he again become a policeman, he shall enter the retirement system as a
12 member entitled to prior service credit only as provided in section 86.380.]

2 [86.430. 1. Creditable service at retirement on which the retirement
allowance of a member is based consists of the membership service rendered by

3 him since he last became a member and also, if he has a prior service certificate
4 which is in full force and effect, the amount of the prior service certified on his
5 prior service certificate.

6 2. Creditable service also includes all services rendered by a member as
7 defined in subdivision (14) of section 86.370 even though he is assigned to the
8 performance of duties for the police department of the cities other than for law
9 enforcement.

10 3. Creditable service shall not include any time a member was suspended
11 from service without pay. No contribution is required from either the member
12 under section 86.470 or from the city under section 86.477 for such time.

13 4. Any active member on August 28, 1995, who served on active duty in
14 the armed forces of the United States and who became a member, or returned to
15 membership, after discharge under honorable conditions, may elect, prior to
16 retirement but in no case later than August 28, 1997, to purchase creditable
17 service equivalent to such service in the armed forces, not to exceed two years,
18 provided the member is not receiving and is not eligible to receive retirement
19 credits or benefits from any other public or private retirement plan for the service
20 to be purchased other than a United States military service retirement system or
21 United States Social Security benefits attributable to such military service, and
22 an affidavit so stating is filed by the member with the retirement system. A
23 member electing to make such purchase shall pay to the retirement system an
24 amount equal to the actuarial value of the additional benefits attributable to the
25 creditable service so purchased, as of the date the member elects to make the
26 purchase. The retirement system shall determine the value using accepted
27 actuarial methods and the same assumptions with respect to interest rates,
28 mortality, future salary increases and all related factors used in performing the
29 most recent regular actuarial valuation of the retirement system. Payment in full
30 of the amount due from a member electing to purchase creditable service under
31 this subsection shall be made over a period not to exceed five years, measured
32 from the date of election, or prior to the commencement date for payment of
33 benefits to the member from the retirement system, whichever is earlier,
34 including interest on unpaid balances compounded annually at the interest rate
35 assumed from time to time for actuarial valuations of the retirement system. If
36 payment in full including interest is not made within the prescribed period, any
37 partial payments made by the member shall be refunded, and no creditable
38 service attributable to such election, or as a result of any such partial payments,
39 shall be allowed; provided that if a benefit commencement date occurs because
40 of the death or disability of a member who has made an election under this
41 subsection and if the member is current in payments under an approved
42 installment payment plan at the time of death or disability, such election shall be
43 valid if the member, the surviving spouse or other person entitled to benefit
44 payments pays the entire balance of the remaining amount due, including interest
45 to the date of such payment, within sixty days after the member's death or

46 disability. The time of a disability shall be deemed to be the time when such
47 member is retired by the board of police commissioners for reason of disability
48 as provided in sections 86.370 to 86.497.

49 5. Any individual who becomes a member of the retirement system
50 subsequent to August 28, 1995, and who served on active duty in the armed
51 forces of the United States and who became a member, or returned to
52 membership, after discharge under honorable conditions, may elect, prior to
53 retirement but in no case later than two years after the effective date of his
54 membership in the retirement system, to purchase creditable service equivalent
55 to such service in the armed forces, not to exceed two years, provided the
56 member is not receiving and is not eligible to receive retirement credits or
57 benefits from any other public or private retirement plan for the service to be
58 purchased, other than a United States military service retirement system or United
59 States Social Security benefits attributable to such military service, and an
60 affidavit so stating is filed by the member with the retirement system. A member
61 electing to make such purchase shall pay to the retirement system an amount
62 equal to the actuarial value of the additional benefits attributable to the additional
63 service credit to be purchased, as of the date the member elects to make such
64 purchase. The retirement system shall determine such value using accepted
65 actuarial methods and the same assumptions with respect to interest rates,
66 mortality, future salary increases and all related factors used in performing the
67 most recent regular actuarial valuation of the retirement system. Payment in full
68 of the amount due from a member electing to purchase creditable service under
69 this subsection shall be made over a period not to exceed five years, measured
70 from the date of election, or prior to the commencement date for payment of
71 benefits to the member from the retirement system, whichever is earlier,
72 including interest on unpaid balances compounded annually at the interest rate
73 assumed from time to time for actuarial valuations of the retirement system. If
74 payment in full including interest is not made within the prescribed period, any
75 partial payments made by the member shall be refunded, and no creditable
76 service attributable to such election, or as a result of any such partial payments,
77 shall be allowed; provided that if a benefit commencement date occurs because
78 of the death or disability of a member who has made an election under this
79 subsection and if the member is current in payments under an approved
80 installment plan at the time of the death or disability, such election shall be valid
81 if the member, the surviving spouse or other person entitled to benefit payments
82 pays the entire balance of the remaining amount due, including interest to the date
83 of such payment, within sixty days after the member's death or disability. The
84 time of a disability shall be deemed to be the time when such member is retired
85 by the board of police commissioners for reason of disability as provided in
86 sections 86.370 to 86.497.]

2 [86.433. Any member may retire when such member has completed
 3 twenty-five or more years of creditable service and, except as otherwise provided
 4 in this section, shall retire when such member has completed thirty years of
 5 creditable service. Upon such retirement such member shall receive a pension
 6 equal to:

7 (1) For a member retiring prior to August 28, 2000, two percent of such
 8 member's final compensation, as defined in section 86.370, multiplied by the
 9 number of years of such member's total creditable service; or

10 (2) For a member retiring on or after August 28, 2000, two and one-half
 11 percent of such member's final compensation, as defined in section 86.370,
 12 multiplied by the number of years of such member's total creditable service.

13 Such pension shall be not less than seven thousand two hundred dollars annually
 14 and in any event shall not exceed seventy-five percent of the member's final
 15 compensation. Any member who has completed thirty years of creditable service
 16 may continue in service by permission of the board of police commissioners on
 17 recommendation of the chief of police until such member attains the age of
 18 sixty-five years. Contributions shall not be required of, and no service shall be
 19 credited to, any member for more than thirty years of service.]
 20

2 [86.434. 1. Any member entitled to commence a pension under and
 3 pursuant to section 86.433 with twenty-six years or more of creditable service
 4 may elect an optional distribution under the partial lump sum option plan
 5 provided in this section if the member:

6 (1) Notifies the retirement system in writing of the member's retirement
 7 date at least ninety days in advance of the member's retirement date and requests
 8 an explanation of the member's rights under and pursuant to this section; and

9 (2) Notifies the retirement system of the member's election hereunder at
 10 least thirty days in advance of the member's retirement date.

11 Following receipt of an initial notice of a member's retirement date and request
 12 for an explanation hereunder, the retirement system shall, at least sixty days in
 13 advance of such retirement date, provide the member a written explanation of the
 14 member's rights under and pursuant to this section and an estimate of the amount
 15 by which the member's regular monthly base pension would be reduced in the
 16 event of the member's election of any of the options available to the member
 17 under and pursuant to this section.

18 2. (1) A member entitled to make an election under and pursuant to this
 19 section may elect to receive a lump sum distribution with the member's initial
 20 monthly pension payment under and pursuant to section 86.433, subject to all the
 21 terms of this section. The member may elect the amount of the member's lump
 22 sum distribution from one, but not more than one, of the following options for
 23 which the member qualifies:

24 (a) A member having twenty-six or more years of creditable service may
25 elect a lump sum amount equal to twelve times the initial monthly base pension
26 the member would receive if no election were made under and pursuant to this
27 section;

28 (b) A member having twenty-seven or more years of creditable service
29 may elect a lump sum amount equal to twenty-four times the initial monthly base
30 pension the member would receive if no election were made under and pursuant
31 to this section; or

32 (c) A member having twenty-eight or more years of creditable service
33 may elect a lump sum amount equal to thirty-six times the initial monthly base
34 pension the member would receive if no election were made under and pursuant
35 to this section.

36 (2) When a member makes an election to receive a lump sum distribution
37 under and pursuant to this section, the base pension which the member would
38 have received in the absence of the election shall be reduced on an actuarially
39 equivalent basis to reflect the payment of the lump sum distribution, and the
40 reduced base pension shall be the member's base pension thereafter for all
41 purposes relating to base pension amounts under and pursuant to sections 86.370
42 to 86.497.

43 3. An election under and pursuant to this section to receive a lump sum
44 distribution and reduce monthly base pension shall be void if the member dies
45 before retirement, and amounts due a surviving spouse or other beneficiary of the
46 member shall be determined without regard to such election.]
47

2 [86.437. Except as provided in section 86.443, any member in service
3 who shall have attained sixty years of age and at that time shall have completed
4 at least ten but less than thirty years of creditable service shall retire and shall
5 receive an annual pension equal to:

6 (1) For a member retiring prior to August 28, 2000, two percent of such
7 member's final compensation, as defined in section 86.370, multiplied by the
8 number of years of such member's total creditable service; or

9 (2) For a member retiring on or after August 28, 2000, two and one-half
10 percent of such member's final compensation as defined in section 86.370
11 multiplied by the number of years of such member's total creditable service.]

2 [86.440. Any member who retires after August 28, 2000, who is entitled
3 to a pension benefit pursuant to the provisions of sections 86.370 to 86.497 and
4 who either has at least twenty-five years of creditable service or is retired as a
5 result of an injury or illness occurring in the line of duty or course of employment
6 pursuant to section 86.450, shall receive a pension benefit which, without
7 including any supplemental retirement benefits paid such member by this
8 retirement system, shall be not less than six hundred dollars monthly. Any
member who retires on or before August 28, 2000, who is entitled to a pension

9 benefit pursuant to the provisions of sections 86.370 to 86.497 and who either
10 had at least twenty-five years of creditable service or was retired as a result of an
11 injury or illness occurring in the line of duty or course of employment pursuant
12 to section 86.450, shall upon application to the retirement board be appointed by
13 the retirement board as a special consultant on the problems of retirement, aging
14 and other matters, and upon request of the retirement board shall give opinions
15 and be available to give opinions in writing or orally in response to such requests,
16 as may be required. For such services the member shall, beginning the later of
17 August 28, 2000, or the time of such appointment under this section, be
18 compensated in an amount which without including any supplemental retirement
19 benefits provided by this system, shall be not less than six hundred dollars
20 monthly. A pension benefit pursuant to this section shall be paid in lieu of such
21 member's base pension as increased by cost-of-living adjustments granted
22 pursuant to section 86.441. The benefit pursuant to this section shall not be
23 subject to cost-of-living adjustments, but shall be terminated and replaced by the
24 member's base pension and cost-of-living adjustments at such time as the total
25 base pension and such adjustments exceed six hundred dollars monthly.]
26

2 [86.441. 1. Any member who retires on a pension subsequent to August
3 13, 1972, may receive each year, beginning January 1, 1972, in addition to such
4 member's base pension, a cost-of-living adjustment in an amount not to exceed
5 three percent of such member's base pension during any one year provided that
6 the retirement pension system shall remain actuarially sound.

7 2. Any member who was retired on August 13, 1972, may receive each
8 year, beginning January 1, 1986, in addition to such member's base pension, a
9 cost-of-living adjustment in an amount not to exceed three percent of such base
10 pension during any one year, provided that the retirement pension system shall
11 remain actuarially sound.

12 3. If a member who has been retired and receiving a pension dies after
13 September 28, 1987, the surviving spouse or children of such member entitled
14 to receive a base pension pursuant to section 86.447 shall also receive a
15 percentage cost-of-living adjustment to their respective base pension equal to the
16 total percentage cost-of-living adjustments received during such member's
17 lifetime pursuant to this section.

18 4. The cost-of-living adjustment shall be an increase or decrease
19 computed on the base pension amount by the retirement board in an amount that
20 the board, in its discretion, determines to be satisfactory, but in no event shall the
21 adjustment be more than three percent or reduce the pension to an amount less
22 than the base pension.

23 5. In determining and granting the cost-of-living adjustments, the
24 retirement board shall adopt such rules and regulations as may be necessary to
25 effectuate the purposes of this section including provisions for the manner of
computation of such adjustments and the effective dates thereof. The retirement

26 board shall provide for such adjustments to be determined once each year and
27 granted on a date or dates to be chosen by the board and may apply such
28 adjustments in full to members who have retired during the year prior to such
29 adjustments but who have not been retired for one full year and to the surviving
30 spouse or children of a member who has died during the year prior to such
31 adjustments.

32 6. As used in this cost-of-living adjustment section, the term "base
33 pension" shall mean, when used in connection with a member, the pension
34 computed under the provisions of the law as of the date of retirement of the
35 member without regard to cost-of-living adjustment and, when used in
36 connection with a surviving spouse or children of a member, the pension
37 computed under the provisions of the law as of the date of death of the member
38 without regard to cost-of-living adjustment except as provided in section 86.447.
39 For the purposes of subsections 1 and 2 of this section, the term "member" shall
40 include a surviving spouse entitled to pension benefits from this retirement
41 system and any children of the member who are entitled to receive part or all of
42 the pension which would be received by a surviving spouse if living.

43 7. The determination of whether the retirement pension system will
44 remain actuarially sound shall be made at the time any cost-of-living adjustment
45 is granted. If at any time the retirement pension system becomes actuarially
46 unsound, pension payments shall continue as adjusted by increases theretofore
47 granted. A member of the retirement board shall have no personal liability for
48 granting increases under this section if that retirement board member in good
49 faith relied and acted upon advice of a qualified actuary that the retirement
50 pension system would remain actuarially sound.]
51

2 [86.442. 1. Any member who retires subsequent to August 28, 1991,
3 with entitlement to a pension under sections 86.370 to 86.497, shall receive each
4 month, in addition to such member's base pension, a supplemental retirement
5 benefit in the amount of fifty dollars per month, for assistance in meeting
6 hospitalization and medical care costs or other expenses. Any member who
7 receives such a supplemental retirement benefit may also receive not more
8 frequently than annually, in addition to a base pension, as may be adjusted
9 pursuant to section 86.441, and supplemental retirement benefit, a cost-of-living
10 adjustment to the supplemental retirement benefit, in monthly adjustment
11 increments to be determined by the retirement board. Such determination shall
12 be based on advice of the plan's actuary, that the increase in the benefit will not
13 cause the present value of anticipated future plan benefits calculated on the
14 actuarial assumptions used for the most recent annual valuation, to exceed the
15 sum of the trust fund assets plus the present value of anticipated contributions to
16 the trust fund.

17 2. Any member who was retired on or before August 28, 1991, and is
receiving retirement benefits from the retirement system, upon application to the

18 retirement board, shall be made, constituted, appointed and employed by the
19 retirement board as a special consultant on the problems of retirement, aging and
20 other matters, for the remainder of such member's life, and upon request of the
21 retirement board shall give opinions and be available to give opinions in writing
22 or orally, in response to such requests, as may be required. For such services
23 such member shall be compensated monthly, in addition to a base pension, in the
24 amount of fifty dollars per month. This employment shall in no way affect any
25 member's eligibility for retirement benefits under the provisions of sections
26 86.370 to 86.497, or in any way have the effect of reducing retirement benefits
27 otherwise payable to such member. Any member who receives such monthly
28 compensation as a special consultant to the retirement board may also receive not
29 more frequently than annually, beginning in 1992, in addition to such member's
30 base pension, as may be adjusted pursuant to section 86.441, and monthly
31 compensation as a special consultant to the retirement board, a cost-of-living
32 adjustment to such monthly compensation, in monthly adjustment increments to
33 be determined by the retirement board. Such determination shall be based on
34 advice of the plan's actuary, that the increase in the benefit will not cause the
35 present value of anticipated future plan benefits calculated on the actuarial
36 assumptions used for the most recent annual valuation, to exceed the sum of the
37 trust fund assets plus the present value of anticipated future contributions to the
38 trust fund.

39 3. In determining and granting cost-of-living adjustments under this
40 section, the retirement board shall adopt such rules and regulations as may be
41 necessary to effectuate the purposes of this section including provisions for the
42 manner of computation of such adjustments and the effective dates thereof. The
43 retirement board shall provide for such adjustments to be determined once each
44 year and granted on a date or dates to be chosen by the board and may apply such
45 adjustments in full to members who have retired during the year prior to such
46 adjustments but who have not been retired for one full year and to the surviving
47 spouse of a member who has died during the year prior to such adjustments.

48 4. For the purposes of subsections 1 and 2 of this section, the term
49 "member" shall include a surviving spouse entitled to a pension benefit pursuant
50 to sections 86.370 to 86.497, but shall not include any children of the member
51 who would be entitled to receive part or all of the pension which would be
52 received by a surviving spouse if living. In determining whether the rights of any
53 such surviving spouse are provided under subsection 1 or under subsection 2 of
54 this section, the surviving spouse shall be deemed to have the date of retirement
55 of the member of whom such person is the surviving spouse, except that if the
56 surviving spouse of any member who retired prior to August 28, 2000, shall not
57 have remarried prior to August 28, 2000, but remarries thereafter, such surviving
58 spouse shall thereafter receive benefits pursuant to subsection 2 of this section,
59 and except further that no benefits shall be payable pursuant to this section to the
60 surviving spouse of any member who retired prior to August 28, 2000, if such

61 surviving spouse was at any time remarried prior to August 28, 2000. Any such
62 surviving spouse of a member who dies while entitled to payments under this
63 section shall succeed to the full amount of payment under this section to which
64 such member was entitled at the time of such member's death, including any
65 cost-of-living adjustments received by such member in the payment hereunder
66 prior to such member's death.

67 5. The determination of whether the retirement pension system will
68 remain actuarially sound shall be made at the time any cost-of-living adjustment
69 under this section is granted. If at any time the retirement pension system
70 becomes actuarially unsound, supplemental retirement benefit payments under
71 subsection 1 of this section and monthly compensation payments as a special
72 consultant to the retirement board under subsection 2 of this section shall
73 continue as adjusted by increases theretofore granted. A member of the
74 retirement board shall have no personal liability for granting increases under this
75 section if that retirement board member in good faith relied and acted upon
76 advice of a qualified actuary that the retirement pension system would remain
77 actuarially sound.]
78

2 [86.443. Every member not having thirty years of service must retire at
3 sixty years of age except that on recommendation of the chief of police, the board
4 of police commissioners may permit such member who is sixty years of age, or
5 over, to remain in service until such member reaches the age of sixty-five years
6 and no longer. Such member shall continue to make contributions and receive
7 credit for service until he is sixty-five years of age, until his retirement, or until
8 he has completed thirty years of creditable service, whichever occurs first.]

2 [86.445. If a city and the police department of such city adopt any
3 program of incentives to authorize or encourage early retirements, whether for
4 employees not yet eligible for regular retirement or for employees who are
5 eligible but have not yet chosen to retire or for both, the retirement board shall
6 be authorized to administer and pay such incentives for retirees who accept such
7 incentives and are members of this retirement system under and pursuant to
8 sections 86.370 to 86.497, in addition to such other benefits as such members or
9 their beneficiaries are entitled to receive under and pursuant to sections 86.370
10 to 86.497 provided such city shall so request and shall agree to increase the city's
11 contribution under and pursuant to section 86.477 sufficiently to provide the full
12 actuarial cost of any such incentives in addition to the contribution required of
13 such city necessary, in conjunction with members' contributions under and
14 pursuant to section 86.470, to provide all other benefits provided under and
15 pursuant to sections 86.370 to 86.497.]

2 [86.447. 1. Upon receipt of the proper proofs of death of a member in
service for any reason whatever or of the death of a member after having been

3 retired and pensioned, there shall be paid, in addition to all other benefits but
4 subject to subsection 7 of this section, the following:

5 (1) If a member dies while in service, such member's surviving spouse,
6 if any, shall be paid a base pension equal to forty percent of the final compensation of such
7 member, subject to subsequent adjustments, if any, as provided in section 86.441;

8 (2) If a member retires or terminates service after August 28, 1999, and
9 dies after commencement of benefits pursuant to the provisions of sections
10 86.370 to 86.497, the member's surviving spouse, if any, shall be paid a base
11 pension equal to eighty percent of the pension being received by such member,
12 including cost-of-living adjustments to such pension but excluding supplemental
13 retirement benefits, at the time of such member's death, subject to subsequent
14 adjustments, if any, as provided in section 86.441;

15 (3) If a member retired or terminated service on or before August 28,
16 1999, and died after August 28, 1999, and after commencement of benefits, such
17 member's surviving spouse shall upon application to the retirement board be
18 appointed and employed by the retirement board as a special consultant on the
19 problems of retirement, aging and other matters, and upon request of the
20 retirement board shall give opinions and be available to give opinions in writing
21 or orally in response to such requests, as may be required. For such services, the
22 surviving spouse shall, beginning the later of August 28, 1999, or the time of
23 such appointment under this subsection, be compensated in such amount as shall
24 make the benefits received by such surviving spouse pursuant to this subsection
25 equal to eighty percent of the pension being received by such member, including
26 cost-of-living adjustments to such pension but excluding supplemental retirement
27 benefits, at the time of such member's death, subject to subsequent adjustments,
28 if any, as provided in section 86.441;

29 (4) Upon the death of any member who is in service after August 28,
30 2000, and who either had at least twenty-five years of creditable service or was
31 retired or died as a result of an injury or illness occurring in the line of duty or
32 course of employment pursuant to section 86.450, the surviving spouse's benefit
33 provided pursuant to this subsection, without including any supplemental
34 retirement benefits paid such surviving spouse by this retirement system, shall
35 not be less than six hundred dollars per month. For any member who dies, retires
36 or terminates service on or before August 28, 2000, and who either had at least
37 twenty-five years of creditable service or was retired or died as a result of an
38 injury or illness occurring in the line of duty or course of employment pursuant
39 to section 86.450, the surviving spouse shall upon application to the retirement
40 board be appointed by the retirement board as a special consultant on the
41 problems of retirement, aging and other matters, and upon request of the
42 retirement board shall give opinions and be available to give opinions in writing
43 or orally in response to such requests, as may be required. For such services, the
44 surviving spouse shall, beginning the later of August 28, 2000, or the time the
45 appointment is made pursuant to this subsection, be compensated in an amount

46 which without including supplemental retirement benefits provided by this
47 system shall be not less than six hundred dollars monthly. A pension benefit
48 pursuant to this subdivision shall be paid in lieu of any base pension as increased
49 by cost-of-living adjustments granted pursuant to section 86.441. The benefit
50 pursuant to this subdivision shall not be subject to cost-of-living adjustments, but
51 shall be terminated and replaced by the base pension and cost-of-living
52 adjustments to which such spouse would otherwise be entitled at such time as the
53 total base pension and such adjustments exceed six hundred dollars monthly;

54 (5) Such member's child or children under the age of eighteen years at the
55 time of the member's decease shall be paid fifty dollars per month each, subject
56 to adjustments, if any, as provided in section 86.441, until he or she shall attain
57 the age of eighteen years; however, each such child who is or becomes a full-time
58 student at an accredited educational institution shall continue to receive payments
59 hereunder for so long as such child shall remain such a full-time student or shall
60 be in a summer or other vacation period scheduled by the institution with intent
61 by such child, demonstrated to the satisfaction of the retirement board, to return
62 to such full-time student status upon the resumption of the institution's classes
63 following such vacation period, but in no event shall such payments be continued
64 after such child shall attain the age of twenty-one years except as hereinafter
65 provided. Any child eighteen years of age or older, who is physically or mentally
66 incapacitated from wage earning, so long as such incapacity exists as certified by
67 a member of the medical board, shall be entitled to the same benefits as a child
68 under the age of eighteen;

69 (6) A funeral benefit of one thousand dollars.

70 2. For the purposes of this section, "commencement of benefits" shall
71 begin, for any benefit, at such time as all requirements have been met entitling
72 the member to a payment of such benefit at the next following payment date,
73 disregarding advance notice periods required by any paying agent for physical
74 preparation of the payment, so that a member who dies between the date all such
75 requirements are met and the date when the system would have delivered such
76 member's initial payment shall be deemed to have commenced such benefit.

77 3. If there is no person qualified to receive a pension as a surviving
78 spouse or if a surviving spouse dies, the total amount which would be received
79 by a qualified surviving spouse or which is being received by the surviving
80 spouse at the date of death of such surviving spouse shall be added to the
81 amounts received by and shall be divided among the children under the age of
82 eighteen years and the incapacitated children in equal shares. As each child
83 attains the age of eighteen years or has such incapacity removed, the total of the
84 surviving spouse's pension shall then be added to and divided among the
85 remaining children, and when there is only one child under the age of eighteen
86 years or incapacitated, whether such child is the sole surviving child of the
87 member or the youngest child of several children, the total amount of the

88 surviving spouse's pension shall be paid to the child until such child reaches the
89 age of eighteen years or such incapacity is removed.

90 4. (1) The surviving spouse of a member who retired or died prior to
91 August 28, 1997, shall not be entitled to receive benefits or the payment of a
92 pension pursuant to sections 86.370 to 86.497 unless marriage to the member
93 occurred at least two years before the member's retirement or at least two years
94 before the death of the member while in service; provided, that no benefits shall
95 be denied pursuant to this subsection to the surviving spouse of a member whose
96 death occurred in the line of duty or from an occupational disease arising out of
97 and in the course of the member's employment.

98 (2) No surviving spouse of a member who retired or died while in service
99 after August 28, 1997, and before August 28, 2000, shall be entitled to receive
100 any benefits pursuant to this section unless such spouse was married to the
101 member at the time of the member's retirement or death while in service.

102 (3) Any surviving spouse who would qualify for benefits pursuant to
103 subdivision (1) or (2) of this subsection and who has not remarried prior to
104 August 28, 2000, but remarries thereafter, shall upon application to the retirement
105 board be appointed by the retirement board as a special consultant on the
106 problems of retirement, aging and other matters, and upon request of the
107 retirement board shall give opinions and be available to give opinions in writing
108 or orally in response to such requests, as may be required. For such services,
109 such surviving spouse shall be compensated in an amount equal to the benefits
110 such spouse would have received pursuant to sections 86.370 to 86.497 in the
111 absence of such remarriage.

112 (4) No surviving spouse of a member who retires or dies in service after
113 August 28, 2000, shall be entitled to receive any benefits pursuant to sections
114 86.370 to 86.497 unless such spouse was married to the member at the time of
115 the member's retirement or death in service. Any surviving spouse who was
116 married to such a member at the time of the member's retirement or death in
117 service shall be entitled to all benefits for surviving spouses pursuant to sections
118 86.370 to 86.497 for the life of such surviving spouse without regard to
119 remarriage.

120 5. If no benefits are otherwise payable to a surviving spouse or child of
121 a deceased member, the member's accumulated contributions, to any extent not
122 fully paid to such member prior to the member's death or to the surviving spouse
123 or child of such member, shall be paid in one lump sum to the member's named
124 beneficiary or, if none, to the member's estate.

125 6. For purposes of this section, a determination of whether a child of a
126 member is physically or mentally incapacitated from wage earning so that the
127 child is entitled to benefits under this section shall be made at the time of the
128 member's death. If a child becomes incapacitated after the member's death, or if
129 a child's incapacity existing at the member's death is removed and such child later
130 becomes incapacitated again, such child shall not be entitled to benefits as an

131 incapacitated child under the provisions of this section. A child shall be deemed
132 incapacitated only for so long as the incapacity existing at the time of the
133 member's death continues.

134 7. Any beneficiary of benefits pursuant to sections 86.370 to 86.497 who
135 becomes the surviving spouse of more than one member shall be paid all benefits
136 due a surviving spouse of that member whose entitlements produce the largest
137 surviving spouse benefits for such beneficiary but shall not be paid surviving
138 spouse benefits as the surviving spouse of more than one member.]
139

2 [86.450. 1. Any member who is permanently unable to perform the full
3 and unrestricted duties of a police officer as the natural, proximate and exclusive
4 result of an accident occurring within the actual performance of duty at some
5 definite time and place or through an occupational disease arising exclusively out
6 of and in the course of his or her employment shall be retired by the board of
7 police commissioners upon certification by one or more physicians of the medical
8 board of the retirement board that the member is mentally or physically unable
9 to perform the full and unrestricted duties of a police officer, that the inability is
10 permanent or likely to become permanent, and that the member should be retired.
11 The inability to perform the full and unrestricted duties of a police officer means
12 that the member is unable to perform all the essential job functions for the
13 position of police officer as established by the board of police commissioners.

14 2. Upon such retirement, a member shall receive a pension equal to
15 seventy-five percent of his or her final compensation for so long as the permanent
16 disability shall continue, during which time such member shall for purposes of
17 this section be referred to as a disability beneficiary. Such pension may be
18 subject to offset or reduction under section 86.460 by amounts paid or payable
19 under any workers' compensation law.

20 3. Once each year during the first five years following his or her
21 retirement, and at least once in every three-year period thereafter, the retirement
22 board may, and upon the member's application shall, require any disability
23 beneficiary who has not yet attained the age of sixty years to undergo a medical
24 examination at a place designated by the medical board or some member thereof.
25 If any disability beneficiary who has not attained the age of sixty years refuses to
26 submit to a medical examination his or her disability pension may be
27 discontinued until his or her withdrawal of such refusal, and if his or her refusal
28 continues for one year, all rights in and to such pension may be revoked by the
29 retirement board.

30 4. If one or more members of the medical board certify to the retirement
31 board that a disability beneficiary is able to perform the full and unrestricted
32 duties of a police officer, and if the retirement board concurs on the report, then
33 such beneficiary's disability pension shall cease.

34 5. If upon cessation of a disability pension pursuant to subsection 4 of
this section, the former disability beneficiary is restored to active service, he or

35 she shall again become a member, and he or she shall contribute thereafter at the
36 same rate as other members. Upon his or her subsequent retirement, he or she
37 shall be credited with all his or her service as a member, including any years in
38 which such disability beneficiary received a disability pension pursuant to this
39 section.

40 6. If upon cessation of a disability pension pursuant to subsection 4 of
41 this section, the former disability beneficiary is not restored to active service,
42 such former disability beneficiary shall be entitled to the retirement benefit to
43 which such former disability beneficiary would have been entitled if such former
44 disability beneficiary had terminated service for any reason other than dishonesty,
45 intemperate habits or being convicted of a felony at the time of such cessation of
46 such former disability beneficiary's disability pension. For the purpose of such
47 retirement benefits, such former disability beneficiary will be credited with all the
48 former disability beneficiary's service as a member, including any years in which
49 the former disability beneficiary received a disability beneficiary pension under
50 this section.]

51

2 [86.453. 1. Upon the receipt of the proper proofs that the death of a
3 member in service was the natural and proximate result of an event occurring
4 within the performance of duty or of an occupational disease arising out of and
5 in the course of his employment, there shall be paid to his surviving spouse, or
6 if there be no surviving spouse, then to his child or children under the age of
7 twenty-one years or over the age of twenty-one years if mentally or physically
8 incapacitated from wage earning, in equal shares or divided between or among
9 them, as the retirement board in its sole discretion shall direct, the sum of fifty
10 thousand dollars.

11 2. If the member dies in such a manner that a surviving spouse or child
12 would be entitled to benefits under this section but there is no surviving spouse
13 or child eligible to receive payments under this section, no payments under this
14 section shall be paid.

15 3. Notwithstanding anything to the contrary in this chapter or any other
16 chapter of the Missouri revised statutes, amounts payable under this section shall
17 not be subject to offset or reduction by amounts paid or payable under any
18 workers' compensation or similar law.]

18

2 [86.457. 1. Any member who has completed ten or more years of
3 creditable service and who has become permanently unable to perform the full
4 and unrestricted duties of a police officer as the result of an injury or illness not
5 exclusively caused or induced by the actual performance of his or her official
6 duties or by his or her own negligence, shall be retired by the board of police
7 commissioners upon certification by one or more physicians of the medical board
8 of the retirement board that the member is mentally or physically unable to
perform the full and unrestricted duties of a police officer, that the incapacity is

9 permanent or likely to become permanent and that the member should be retired.
10 The inability to perform the full and unrestricted duties of a police officer means
11 that the member is unable to perform all the essential job functions for the
12 position of police officer as established by the board of police commissioners.

13 2. Upon such retirement, a member shall receive a pension equal to two
14 and one-half percent of his final compensation multiplied by the number of years
15 of his creditable service. Such pension shall be paid for so long as the permanent
16 disability shall continue, during which time such member shall for purposes of
17 this section be referred to as a nonduty disability beneficiary.

18 3. Once each year during the first five years following such member's
19 retirement, and at least once in every three-year period thereafter, the retirement
20 board may, and upon the member's application shall, require any nonduty
21 disability beneficiary who has not yet attained the age of sixty years, to undergo
22 a medical examination at a place designated by the medical board or some
23 member thereof. If any nonduty disability beneficiary who has not attained the
24 age of sixty years refuses to submit to a medical examination his or her nonduty
25 disability pension may be discontinued until his or her withdrawal of such
26 refusal, and if his or her refusal continues for one year, all rights in and to such
27 pension may be revoked by the retirement board.

28 4. If one or more members of the medical board certify to the retirement
29 board that a nonduty disability beneficiary is able to perform the full and
30 unrestricted duties of a police officer, and if the retirement board concurs on the
31 report, then such beneficiary's nonduty disability pension shall cease.]
32

2 [86.460. 1. Any periodic payment, excluding payments for medical
3 treatment, which may be paid or payable by the cities under the provisions of any
4 workers' compensation or similar law to a member or to the dependents of a
5 member on account of any disability or death shall be offset against any benefits
6 payable to the recipient of the workers' compensation payments from funds
7 provided by the cities under the provisions of sections 86.370 to 86.497 on
8 account of the same disability or death; except that, amounts payable under
9 section 86.453 shall not be offset or reduced by any amount paid or payable under
10 any workers' compensation or similar law. However, in no event shall the
11 amount paid from funds under the provisions of sections 86.370 to 86.497 be less
12 than the amount which represents the member's percentage, as defined in this
13 section, of total benefits payable under sections 86.370 to 86.497, other than
14 under section 86.453 and before any offset for workers' compensation benefits.

15 2. Any lump sum amount, excluding payments for medical treatments,
16 which may be paid or payable by the cities under the provisions of any workers'
17 compensation or similar law to a member or to the dependents of a member on
18 account of any disability or death shall be offset against any benefits payable
19 from funds provided by the cities under the provisions of sections 86.370 to
86.497 on account of the same disability or death; except that, amounts payable

20 under section 86.453 shall not be offset or reduced by any amounts paid or
21 payable under any workers' compensation or similar law. The amount by which
22 each periodic payment made under the provisions of sections 86.370 to 86.497
23 is offset or reduced shall be computed as the periodic amount necessary to
24 amortize as an annuity over the period of time represented by the respective
25 workers' compensation benefits the total amount of the lump sum settlement
26 received as a workers' compensation benefit by a beneficiary of the retirement
27 system. Such computation shall be based upon the same interest rate and
28 mortality assumptions as used for the retirement system at the time of such
29 computation. However, in no event shall the amount paid from funds under the
30 provisions of sections 86.370 to 86.497 be less than the amount which represents
31 the member's percentage, as defined in this section, of total benefits payable
32 under sections 86.370 to 86.497, other than under section 86.453 and before any
33 offset for workers' compensation benefits.

34 3. The retirement board shall adopt such rules and regulations as may be
35 necessary to effectuate the purposes of this section.

36 4. As used in this section, the term "member's percentage" shall be the
37 fraction of which the numerator is the percentage of compensation contributed
38 by a working member to the retirement pension system under section 86.470
39 during the pay period immediately preceding such member's death or disability
40 which created entitlement to benefits and the denominator is the sum of the
41 percentages of a member's compensation contributed by a working member under
42 section 86.470 and the city under section 86.477 to the retirement pension system
43 during such pay period. Such percentage shall identify the portion of any benefits
44 due under the provisions of sections 86.370 to 86.497 which is deemed to have
45 been provided by the member's own contributions.]
46

2 [86.463. 1. Whenever the service of a member is not terminated by death
3 or retirement, but by order of the board of police commissioners for any reason
4 other than dishonesty, intemperate habits or being convicted of a felony, and the
5 member has not less than ten years of creditable service, the member shall
6 become entitled to an annual pension beginning at the age of sixty, if he or she
7 is then living, bearing the same ratio to fifty percent of his or her final
8 compensation, as defined in section 86.370, that the number of years of creditable
9 service bears to thirty. When the member has less than ten years of creditable
10 service, upon termination of service he or she shall be paid the amount of his or
11 her accumulated contributions in one lump sum payment without interest, which
12 shall constitute payment in full of all benefits to which he or she might be entitled
13 under sections 86.370 to 86.497.

14 2. Whenever the service of a member is not terminated by death or
15 retirement, but by voluntary resignation and the member has not less than fifteen
16 years of creditable service, the member may elect not to withdraw his or her
accumulated contributions and shall become entitled to an annual pension

17 beginning at the age of fifty-five, if he or she is then living, equal to two and
18 one-half percent of his or her final compensation multiplied by the number of
19 years of his or her creditable service. When the member has less than fifteen
20 years of creditable service, upon resignation from service he or she shall be paid
21 the amount of his or her accumulated contributions in one lump sum payment
22 without interest, which shall constitute payment in full of all benefits to which
23 he or she might be entitled under sections 86.370 to 86.497.]
24

2 [86.467. Whenever the service of a member is terminated for any reason,
3 such member may choose to withdraw all of such member's accumulated
4 contributions to the fund, in which case such member shall be paid on demand
5 the amount of his accumulated contributions in one lump sum, and such payment
6 shall be in lieu of any and all other benefits to which he might otherwise become
7 entitled under sections 86.370 to 86.497.]

2 [86.470. The board of police commissioners shall deduct or cause to be
3 deducted from the compensation of each member until retirement a percentage
4 of his compensation, which shall not be less than six percent, as determined by
5 the retirement board, as his contribution to the pension fund. The sum so
6 deducted shall be paid by the board of police commissioners monthly or
7 semimonthly to the retirement board to be credited to the member's account.]

2 [86.473. The deductions provided for herein shall be made even though
3 the minimum compensation provided by law for any such member shall be
4 reduced thereby. Every member shall be deemed to consent to the deductions
5 made and provided for herein, and shall receipt for his full salary or
6 compensation, and payment of salary or compensation less said deduction shall
7 be a full and complete discharge and acquittance of all claims and demands
8 whatsoever for services rendered during the period covered by such payment
9 except as to benefits provided by sections 86.370 to 86.497. The board of police
10 commissioners shall certify to the retirement board on each and every payroll the
11 amount deducted, and such amounts shall be paid into the pension fund and shall
12 be credited to the individual pension account of the member from whose
13 compensation said deduction was made.]

2 [86.477. The city shall contribute to the pension fund quarter-annually
3 or at such lesser intervals as may be agreed upon by the city and the retirement
4 board. Such contribution shall be in addition to and separate from the
5 appropriations made by the city for the operation of the police department. For
6 each fiscal year of the operation of the pension system, the city's contribution to
7 the pension fund shall be a percentage of the compensation paid to members of
8 the pension system from which a member's deduction has been made under
section 86.473. The city's contribution shall be such percentage as shall be

9 agreed upon by the board of police commissioners and the city but in no event
10 shall such contribution be less than twelve percent.]
11

 [86.480. On or before the tenth day of January of each year the retirement
2 board shall certify to the board of police commissioners the amount of money
3 that will probably be required to comply with the provisions of section 86.477
4 during the next succeeding fiscal year including administration expenses. The
5 amounts so certified shall be included by the board of police commissioners in
6 their annual budget estimate, and shall be appropriated by the said cities and
7 transferred to the pension fund during the ensuing fiscal year.]
8

 [86.483. 1. The retirement board shall act as trustee of the funds created
2 by or collected pursuant to the provisions of sections 86.370 to 86.497. With
3 appropriate safeguards against loss by the retirement system, the board may
4 designate one or more banks or trust companies to serve as a depository of
5 retirement system funds and intermediary in the investment of those funds and
6 payment of system obligations. The board shall promptly deposit the funds with
7 any such designated bank or trust company.

 2. The retirement board shall have power, in the name and on behalf of
9 the retirement pension system, to purchase, acquire, hold, invest, lend, lease, sell,
10 assign, transfer and dispose of all property, rights, and securities, and enter into
11 written contracts, all as may be necessary or proper to carry out the purposes of
12 sections 86.370 to 86.497. No investment transaction authorized by the
13 retirement board shall be handled by any company or firm in which a member of
14 the board has an interest, nor shall any member of the board profit directly or
15 indirectly from any such investment. All investments shall be made for the
16 account of the retirement system, and any securities or other properties obtained
17 by the retirement board may be held by a custodian in the name of the retirement
18 system, or in the name of a nominee in order to facilitate the expeditious transfer
19 of such securities or other properties. Such securities or other properties may be
20 held by such custodian in bearer form or in book entry form. The retirement
21 system is further authorized to deposit, or have deposited for its account, eligible
22 securities in a central depository system or clearing corporation or in a federal
23 reserve bank under a book entry system as defined in the uniform commercial
24 code, sections 400.8-102 and 400.8-109, RSMo. When such eligible securities
25 of the retirement system are so deposited with the central depository system they
26 may be merged and held in the name of the nominee of such securities depository
27 and title to such securities may be transferred by bookkeeping entry on the books
28 of such securities depository or federal reserve bank without physical delivery of
29 the certificates or documents representing such securities.

 3. The income from investments shall be credited to the funds of the
31 retirement system at frequent intervals satisfactory to the retirement board. All
32 payments from the funds shall be made by the bank or trust company only upon

33 orders signed by the secretary and treasurer of the retirement board, except as
34 otherwise provided in this subsection. No order shall be drawn unless it shall
35 have previously been allowed by a specific or an ongoing generalized resolution
36 of the retirement board. In the case of payments for benefits, services, supplies
37 or similar items in the ordinary course of business, such board resolutions may
38 be ongoing generalized authorizations, provided that each payment other than
39 payments to members or beneficiaries for benefits shall be reported to the board
40 at its next following meeting and shall be subject to ratification and approval by
41 the board. All bonds or securities acquired and held by the retirement board shall
42 be kept in a safe-deposit box, and access thereto shall be had only by the secretary
43 and treasurer, jointly; except that, the retirement board may contract with a bank
44 or trust company to act as the custodian of the bonds and securities, in which case
45 the retirement board may authorize such custodian bank or trust company to order
46 purchases, loans or sales of investments by such custodian bank or trust company,
47 and may also appoint one or more investment managers to manage investments
48 of the retirement pension system and in the course of such management to order
49 purchases, loans or sales of investments by such custodian bank or trust company,
50 subject to such limitations, reporting requirements and other terms and
51 restrictions as the retirement board may include in the terms of each such
52 appointment.]
53

2 [86.487. The secretary and treasurer shall each, before assuming the
3 duties of his office, give a good and sufficient surety bond for an amount
4 determined by the retirement board, but not more than twenty-five percent more
5 than the maximum amount on hand during the previous calendar year nor less
6 than twenty thousand dollars, conditioned upon the faithful performance of his
7 duties as such officer, and to account for all moneys, securities, and property
8 which may come into his hands or under his control by virtue of such office, with
9 two or more solvent sureties thereon with a net worth in excess of the amount of
10 such bond who shall each execute an affidavit to be attached to such bond giving
11 the net worth of such surety over and above all liabilities and statutory
12 exemptions, or with a corporate surety duly licensed to transact business in this
13 state, and in the event a corporate surety bond is given the premium therefor shall
14 be paid out of the funds of the retirement pension system. Such bonds shall be
15 subject to the approval of the presiding judge of the circuit court of the county in
16 which such cities are located. The offices of secretary and of treasurer shall not
17 be held by the same person.]

2 [86.490. The payment of all benefits provided by sections 86.370 to
3 86.497 in excess of the amount of the members' contributions and the payment
4 of all expenses necessary for the administration and operation of the police
5 retirement system shall be and are hereby made obligations of said funds created
hereunder and not of said city.]

2 [86.493. The right of any person to pension or pensions, to the return of
3 contributions, disability or death benefits or any other right accrued or accruing
4 to any person under the provisions of sections 86.370 to 86.497 and the moneys
5 in the various funds created under sections 86.370 to 86.497 are hereby exempt
6 from any tax of the state of Missouri or of any municipality or political
7 subdivision thereof, and shall not be subject to execution, garnishment,
8 attachment or any other process whatsoever and shall be unassignable except as
9 specifically provided in sections 86.370 to 86.497, and except for court orders or
10 assignments approved by a court to provide support for family members or a
11 former spouse of any person entitled to benefits under sections 86.370 to 86.497.
12 A revocable request or authorization by a member or a beneficiary to withhold
13 and apply for the requester's convenience some portion or all of a benefit
14 payment, such as a request to apply some portion of a benefit payment to a
15 medical insurance premium, shall not be deemed an assignment prohibited under
16 this section provided that any such request shall remain revocable at all times
17 except as to payments or withholdings effected prior to any such revocation. The
18 retirement system may, but shall not be obligated to, comply with any such
19 request.]

2 [86.497. Nothing contained in sections 86.370 to 86.497 shall in any way
3 limit the criminal liability of any person subject to prosecution under any law
4 which is now or may hereafter be in force. Should any change or error in records
5 result in any member or beneficiary receiving from the pension system more or
6 less than he would have been entitled to receive had the records been correct, the
7 retirement board shall correct such error and, as far as practicable, shall adjust the
8 payments in such a manner that the benefit to which said member or beneficiary
9 was correctly entitled shall be paid.]

2 [86.600. As used in sections 86.600 to 86.790, unless a different meaning
3 is plainly required by the context, the following words and phrases mean:

4 (1) "Accumulated contributions", the sum of all amounts deducted from
5 the compensation of a member and paid to the retirement board, together with all
6 amounts paid to the retirement board by a member or by a member's beneficiary
7 for the purchase of prior service credits or any other purpose permitted under
8 sections 86.600 to 86.790 in all cases with interest thereon at a rate determined
9 from time to time for such purpose by the retirement board;

10 (2) "Actuarial equivalent", a benefit of equal value when computed upon
11 the basis of the mortality tables and interest rate as shall be adopted by the
12 retirement board;

13 (3) "Appointing authority", any person or group of persons having power
14 by law to make appointments to any position in the police departments of the
cities;

- 15 (4) "Beneficiary", any person receiving a benefit from the retirement
16 system as a result of the death of a member;
- 17 (5) "Compensation", the basic wage or salary paid an employee for any
18 period, excluding bonuses, overtime pay, expense allowance, and other
19 extraordinary compensation; except that, notwithstanding the foregoing,
20 compensation for any year for any member shall not exceed the amount permitted
21 to be taken into account under and pursuant to Section 401(a)(17) of the Internal
22 Revenue Code as applicable to such year;
- 23 (6) "Creditable service", the period of service to which an employee, a
24 former employee, or a member is entitled, as prescribed by sections 86.600 to
25 86.790;
- 26 (7) "Employee", any regularly appointed civilian employee of the police
27 departments of the cities as specified in sections 86.600 to 86.790, who is not
28 eligible to receive a pension from the police pension system;
- 29 (8) "Employer", the police boards of the cities as specified in sections
30 86.600 to 86.790;
- 31 (9) "Final compensation", the average annual compensation of a member
32 during his or her service if less than two years, or the twenty-four months of his
33 or her service for which he or she received the highest salary whether consecutive
34 or otherwise. In computing the average annual compensation of a member under
35 this subsection, no compensation attributable to any time a member was
36 suspended from service without pay shall be included. For any period of time
37 when a member is paid on a frequency other than monthly, the member's salary
38 for such period shall be deemed to be the monthly equivalent of the member's
39 annual rate of compensation for such period;
- 40 (10) "Internal Revenue Code", the United States Internal Revenue Code
41 of 1986, as amended;
- 42 (11) "Medical board", the board of physicians chosen by the retirement
43 board;
- 44 (12) "Member", any member of the retirement system as provided by
45 sections 86.600 to 86.790;
- 46 (13) "Normal retirement", retirement from the service of the employer on
47 or after the normal retirement date;
- 48 (14) "Operative date", the date this retirement system becomes operative;
- 49 (15) "Pension", the annual payments for life which shall be payable in
50 equal monthly installments to a member or his or her spouse;
- 51 (16) "Retirement board", the persons appointed or elected to be members
52 of the retirement board for civilian employees of police departments of the cities;
- 53 (17) "Retirement system", the retirement system of the civilian
54 employees of the cities as specified in sections 86.600 to 86.790;
- 55 (18) "Surviving spouse", the legally married wife or husband of a
56 member surviving the member's death.]
57

2 [86.610. In all cities that now have or may hereafter attain a population
3 of more than three hundred thousand and less than seven hundred thousand
4 inhabitants according to the last preceding federal decennial census, there are
5 hereby created and established retirement or pension systems for the purpose of
6 providing retirement allowances for civilian employees of police departments of
7 the cities. Any city which has established a civilian employees' retirement system
8 under the provisions of sections 86.600 to 86.790 may elect to continue its
9 civilian employees' retirement system under the provisions of sections 86.600 to
10 86.790 even though the city may no longer meet the requirements stated in
11 sections 86.600 to 86.790. Each system shall be under the management of a
12 retirement board hereinafter described and shall be known as the "Civilian
13 Employees' Retirement System of the Police Department of (name of city)", and
14 by this name all of its business shall be transacted, and all of its cash and other
15 property held. The retirement systems so created shall begin operation on
16 October 13, 1965, on which date contributions of employees shall be payable to
17 the pension fund.]

2 [86.611. 1. A retirement plan under and pursuant to sections 86.600 to
3 86.790 is a qualified plan pursuant to the provisions of applicable federal law.
4 The benefits and conditions of a retirement plan under and pursuant to sections
5 86.600 to 86.790 shall always be adjusted to ensure that the tax-exempt status is
6 maintained.

7 2. The retirement board shall administer this retirement system in such
8 manner as to retain at all times qualified status under and pursuant to Section
9 401(a) of the Internal Revenue Code.

10 3. The retirement board shall hold in trust the assets of this retirement
11 system for the exclusive benefit of the members and their beneficiaries and for
12 defraying reasonable administrative expenses of the system. No part of such
13 assets shall, at any time prior to the satisfaction of all liabilities with respect to
14 members and their beneficiaries, be used for or diverted to any purpose other than
15 such exclusive benefit or to any purpose inconsistent with sections 86.600 to
16 86.790.

17 4. A member's benefit shall be one hundred percent vested and
18 nonforfeitable upon the member's attainment of normal retirement age, which
19 shall be the earlier of:

20 (1) The attaining of the age of sixty-five or the member's tenth
21 anniversary of employment, whichever is later;

22 (2) When the total sum of age and years of service equals or exceeds
23 eighty; or

24 (3) To the extent funded, upon the termination of the system established
25 under and pursuant to sections 86.600 to 86.790 or any partial termination which
26 affects the member or any complete discontinuance of contributions by the city
to the system.

27

28 Amounts representing forfeited nonvested benefits of terminated members shall
29 not be used to increase benefits payable from the system but may be used to
30 reduce contributions for future plan years.

31

32 5. Distribution of benefits shall begin not later than April first of the year following the
33 later of the calendar year during which the member becomes seventy and one-half years of age
34 or the calendar year in which the member retires, and shall otherwise conform to Section
34 401(a)(9) of the Internal Revenue Code.

35

36 6. A member or beneficiary of a member shall not accrue a service
37 retirement annuity, disability retirement annuity, death benefit, whether death
38 occurs in the line of duty or otherwise, or any other benefit under and pursuant
39 to sections 86.600 to 86.790 in excess of the benefit limits applicable to the fund
40 under and pursuant to Section 415 of the Internal Revenue Code. The retirement
41 board shall reduce the amount of any benefit that exceeds the limits of this
42 section by the amount of the excess. If the total benefits under this retirement
43 system and the benefits and contributions to which any member is entitled under
44 any other qualified plan or plans maintained by the board of police
45 commissioners that employs the member would otherwise exceed the applicable
46 limits under and pursuant to Section 415 of the Internal Revenue Code, the
47 benefits the member would otherwise receive from this retirement system are
48 reduced to the extent necessary to enable the benefits to comply with Section 415
48 of the Internal Revenue Code.

49

50 7. The total salary taken into account for any purpose for any member of
51 this retirement system shall not exceed two hundred thousand dollars per year,
52 subject to periodic adjustments in accordance with guidelines provided by the
53 United States Secretary of the Treasury and may not exceed such other limits as
54 may be applicable at any given time under and pursuant to Section 401(a)(17) of
54 the Internal Revenue Code.

55

56 8. If the amount of any benefit is determined on the basis of actuarial
57 assumptions that are not specifically set forth for that purpose in sections 86.600
58 to 86.790, the actuarial assumptions used are those earnings and mortality
59 assumptions used on the date of the determination by the retirement system's
60 actuary and approved by the retirement board. The actuarial assumptions used
61 at any particular time shall be attached as an addendum to a copy of the
62 retirement system's statute maintained by the retirement board and shall be
63 treated for all purposes as part of sections 86.600 to 86.790. The actuarial
64 assumptions may be changed by the retirement system's actuary annually if
65 approved by the retirement board, but a change in actuarial assumptions shall not
65 result in any decrease in benefits accrued as of the effective date of the change.

66

67 9. Any member or beneficiary who is entitled to receive any distribution
68 that is an eligible rollover distribution, as defined by Section 402(c)(4) of the
69 Internal Revenue Code, is entitled to have that distribution transferred directly to
69 another eligible retirement plan of the member's or beneficiary's choice upon

70 providing direction to the secretary of this retirement system regarding the
71 transfer in accordance with procedures established by the retirement board.

72 10. For all distributions made after December 31, 2001:

73 (1) For the purposes of subsection 9 of this section, an eligible retirement
74 plan shall also mean an annuity described in Section 403(b) of the Internal
75 Revenue Code and an eligible plan under and pursuant to Section 457(b) of the
76 Internal Revenue Code that is maintained by a state, political subdivision of a
77 state, or any agency or instrumentality of a state or political subdivision of a state
78 and which agrees to separately account for amounts transferred into such plan
79 from this retirement system. The definition for eligible retirement plan shall also
80 apply in the case of a distribution to a surviving spouse or to a spouse or former
81 spouse who is the alternate payee under a qualified domestic relations order, as
82 defined in Section 414(p) of the Internal Revenue Code; and

83 (2) For the purposes of subsection 9 of this section, a portion of a
84 distribution shall not fail to be an eligible rollover distribution merely because the
85 portion consists of after-tax employee contributions which are not includable in
86 gross income. However, such portion may be paid only to an individual
87 retirement account or annuity described in Section 408(a) or 408(b) of the
88 Internal Revenue Code, or to a qualified defined contribution plan described in
89 Section 401(a) or 403(a) of the Internal Revenue Code that agrees to separately
90 account for amounts so transferred, including separately accounting for the
91 portion of such distribution that is includable in gross income and the portion of
92 such distribution that is not so includable.]

93 [86.620. 1. Every person who becomes an employee, as defined in
2 subdivision (7) of section 86.600, after August 28, 2001, shall become a member
3 of the retirement system defined in sections 86.600 to 86.790 as a condition of
4 such employment.

5 2. All civilian employees of such police departments who have
6 completed six months of continuous employment as of August 13, 1990, but who
7 have not theretofore been members of this retirement system because they were
8 proscribed from participation by provisions of law in effect prior to such date,
9 shall become members on that date.

10 3. Any employee described in subsection 2 of this section may establish
11 creditable service for purposes of calculating such employee's pension under
12 sections 86.600 to 86.790 for all years of such employee's employment by such
13 police department, by paying as an employee contribution to the retirement
14 system, on or before August 13, 1991, a single sum equal to the aggregate
15 amount of contributions, without interest, which would have been deducted from
16 such employee's compensation for all years pursuant to section 86.760 if such
17 employee had not been proscribed from participation.

18 4. Except as provided in subsection 5 of this section, upon termination
19 of employment prior to completion of five years of creditable service, an

20 employee member shall be paid all of such member's accumulated contributions
21 to the fund, and such member's membership in the retirement system shall cease
22 and such member shall forfeit all rights to any other benefits under the system
23 arising from such member's service to date of termination.

24 5. A terminated employee member with five or more years of creditable
25 service may choose to withdraw all of such member's accumulated contributions
26 to the fund, in which case such member shall be paid upon demand the amount
27 of such member's accumulated contributions in one lump payment and all
28 provisions of subsection 4 of this section shall apply, or such terminated
29 employee member may permit such member's contributions to remain in the fund
30 until such member reaches such member's normal retirement date. Should a
31 terminated member choose to withdraw his or her contributions, his or her
32 membership in the retirement system shall cease, and he or she shall forfeit all
33 rights to any other benefits under the system arising from his or her service to
34 date of termination. The following shall apply to members described in this
35 subsection:

36 (1) If such member retires after August 28, 1999, and allows such
37 member's contributions to remain in the fund, such member shall be entitled to
38 receive a pension upon such member's normal retirement date pursuant to section
39 86.650 or may elect to receive a pension commencing upon or after any date,
40 prior to his or her normal retirement date, upon which early retirement would
41 have been permitted pursuant to section 86.660 if such member had remained a
42 civilian employee of such police department, except that in calculating any
43 qualification pursuant to section 86.660, such member shall not be entitled to
44 count any year of creditable service in excess of such member's total years of
45 creditable service at the time of such member's termination of employment. The
46 amount of any pension commenced upon the basis of a date permitted pursuant
47 to section 86.660 shall be computed on the basis of the member's final
48 compensation and number of years of creditable service, subject to such
49 adjustments as may be applicable pursuant to section 86.660 upon which such
50 member relies in electing the commencement of such member's pension;

51 (2) If such member retired on or before August 28, 1999, and allowed his
52 or her contributions to remain in the fund, such member shall upon application
53 to the retirement board be appointed by the retirement board as a special
54 consultant on the problems of retirement, aging and other matters, and upon
55 request of the retirement board shall give opinions and be available to give
56 opinions in writing or orally in response to such requests, as may be required.
57 For such services the member shall, beginning the later of August 28, 1999, or
58 the time of such appointment pursuant to this subsection, be entitled to elect to
59 receive compensation in such amount and commencing at such time as such
60 member would have been entitled to elect pursuant to any of the provisions of
61 section 86.660 if such member had terminated service after August 28, 1999.
62 Such member shall be entitled to the same cost-of-living adjustments following

63 the commencement of such compensation as if such member's compensation had
64 been a pension.]

65

2 [86.630. 1. The years of future creditable service of an employee
3 member shall be the number of years and months of completed membership in
4 the retirement system up to the time of retirement during which he has received
5 compensation. The years and months of creditable service prior to October 13,
6 1965, shall be the continuous years and months of service from the latest date of
7 employment. When an employee has been given a leave of absence prior to
8 October 13, 1965, because of illness or disability and at the time he had reached
9 the retirement age prescribed in sections 86.600 to 86.790, he shall be entitled to
10 retire and the number of years served by him up to the time of the leave of
11 absence are the years and months of creditable service. Whenever a member is
12 given a leave of absence for military service and he returns to his employment
13 within ninety days after his discharge from the service, he shall be entitled to
14 creditable service for the years of his employment prior to the leave of absence.

15 2. Members who terminate membership and later return to membership
16 may receive credit for prior service and membership service after they have been
17 reemployed for at least two consecutive years and have repaid withdrawn
18 contributions if an election to return to membership is made within three years
19 of reemployment. Such repayment of withdrawn contributions shall be
20 accompanied by additional payment of interest in the amount of the actual net
21 yield earned or incurred by the pension fund, including both net income after
22 expenses and net appreciation or depreciation in values of the fund, whether
23 realized or unrealized, during the period of time from the date upon which such
24 contributions have been withdrawn to the date of repayment thereof, determined
25 in accordance with such rules for valuation and accounting as may be adopted by
26 the retirement board for such purposes.

27 3. Creditable service shall not include any time a member was suspended
28 from service without pay. No contribution is required from either the member
29 or from the city under section 86.760 for such time.

30 4. Any active member on August 28, 1995, who served on active duty in
31 the armed forces of the United States and who became a member, or returned to
32 membership, after discharge under honorable conditions, may elect, prior to
33 retirement but in no case later than August 28, 1997, to purchase creditable
34 service equivalent to such service in the armed forces, not to exceed two years,
35 provided the member is not receiving and is not eligible to receive retirement
36 credits or benefits from any other public or private retirement plan for the service
37 to be purchased, other than a United States military service retirement system or
38 United States Social Security benefits attributable to such military service, and
39 an affidavit so stating is filed by the member with the retirement system. A
40 member electing to make such purchase shall pay to the retirement system an
amount equal to the actuarial value of the additional benefits attributable to the

41 creditable service so purchased, as of the date the member elects to make such
42 purchase. The retirement system shall determine the value using accepted
43 actuarial methods and the same assumptions with respect to interest rates,
44 mortality, future salary increases and all related factors used in performing the
45 most recent regular actuarial valuation of the retirement system. Payment in full
46 of the amount due from a member electing to purchase creditable service under
47 this section shall be made over a period not to exceed five years, measured from
48 the date of election, or prior to the commencement date for payment of benefits
49 to the member from the retirement system, whichever is earlier, including interest
50 on unpaid balances compounded annually at the interest rate assumed from time
51 to time for actuarial valuations of the retirement system. If payment in full
52 including interest is not made within the prescribed period, any partial payments
53 made by the member shall be refunded, and no creditable service attributable to
54 such election or as a result of any such partial payments shall be allowed;
55 provided that if a benefit commencement date occurs because of the death or
56 disability of a member who has made an election under this subsection and if the
57 member is current in payments under an approved installment payment plan at
58 the time of the death or disability, such election shall be valid if the member, the
59 surviving spouse or other person entitled to benefit payments pays the entire
60 balance of the remaining amount due, including interest to the date of such
61 payment, within sixty days after the member's death or disability. The time of a
62 disability shall be deemed to be the time when such member is determined by the
63 retirement board to be totally and permanently disabled as provided in section
64 86.670.

65 5. Any individual who becomes a member of the retirement system
66 subsequent to August 28, 1995, and who served on active duty in the armed
67 forces of the United States and who became a member, or returned to
68 membership, after discharge under honorable conditions, may elect, prior to
69 retirement but in no case later than two years after the effective date of his
70 membership in the retirement system, to purchase creditable service equivalent
71 to such service in the armed forces, not to exceed two years, provided the
72 member is not receiving and is not eligible to receive retirement credits or
73 benefits from any other public or private retirement plan for the service to be
74 purchased, other than a United States military service retirement system or United
75 States Social Security benefits attributable to such military service, and an
76 affidavit so stating is filed by the member with the retirement system. A member
77 electing to make such purchase shall pay to the retirement system an amount
78 equal to the actuarial value of the additional benefits attributable to the additional
79 service credit to be purchased, as of the date the member elects to make the
80 purchase. The retirement system shall determine such value using accepted
81 actuarial methods and the same assumptions with respect to interest rates,
82 mortality, future salary increases and all related factors used in performing the
83 most recent regular actuarial valuation of the retirement system. Payment in full

84 of the amount due from a member electing to purchase creditable service under
85 this section shall be made over a period not to exceed five years, measured from
86 the date of election, or prior to the commencement date for payment of benefits
87 to the member from the retirement system, whichever is earlier, including interest
88 on unpaid balances compounded annually at the interest rate assumed from time
89 to time for actuarial valuations of the retirement system. If payment in full
90 including interest is not made within the prescribed time period, any partial
91 payments made by the member shall be refunded, and no creditable service
92 attributable to such election, or as a result of any such partial payments, shall be
93 allowed; provided that if a benefit commencement date occurs because of the
94 death or disability of a member who has made an election under this section and
95 if the member is current in payments at the time of death or disability, under an
96 approved installment plan, such election shall be valid if the member, the
97 surviving spouse or other person entitled to benefit payments shall pay the entire
98 balance of remaining amount due, including interest to the date of such payment,
99 within sixty days after the member's death or disability. The time of a disability
100 shall be deemed to be the time when such member is determined by the
101 retirement board to be totally and permanently disabled as provided in section
102 86.670.]

103

2 [86.640. The normal retirement date of a member shall be the first day
3 of the month which coincides with or next follows the later of the date he attains
4 the age of sixty-five years, or his tenth anniversary of employment.]

4

2 [86.650. 1. Upon retirement on or after a member's normal retirement
3 date, such member shall receive a normal pension in the amount of two percent
4 of such member's final compensation times the number of years, including
5 fractions thereof, of such member's creditable service.

5

6 2. A member who is married at the time of his retirement may by a
7 written election, with the written consent of such member's spouse, elect an
8 optional annuity, in lieu of a normal pension. Such optional annuity shall be a
9 monthly pension in the initial amount which shall be actuarially equivalent to the
10 actuarial value of the normal pension for such member at the date of retirement
11 (including the value of survivorship rights of a surviving spouse, where
12 applicable, pursuant to section 86.690), upon the basis that the annuity for the
13 member's spouse if such spouse survives the member shall be the same amount
14 as the annuity paid the member and shall be paid to such surviving spouse for the
15 lifetime of such spouse without regard to remarriage. An election for an optional
16 annuity shall be void if the member dies within thirty days after filing such
17 election with the retirement system or if the member dies before the due date of
18 the first payment of such member's pension.

18

19 3. All payments of a normal pension or of an optional annuity shall be
paid on the first day of each month. The first payment shall be paid on the

20 normal retirement date, if the member retires on such normal retirement date; or
21 if such member retires upon any other date, the first payment shall be paid on the
22 first day of the month coinciding with or next following the date provided herein
23 for the commencement of such member's retirement benefits. The final payment
24 due a retired member shall be the payment due on the first day of the month in
25 which such member's death occurs, and the final payment due any surviving
26 beneficiary shall be the payment due on the first day of the month in which such
27 beneficiary dies or otherwise ceases to be entitled to benefits hereunder.]
28

[86.660. Members may elect early retirement:

2 (1) Beginning at age fifty-five if the member has completed at least ten
3 years of creditable service, or at any later age after the member has completed at
4 least ten years of creditable service. Unless subdivision (3) of this section shall
5 be applicable, the benefit as computed under section 86.650 shall be reduced by
6 one-half of one percent for each month the effective date is prior to the first day
7 of the month following that in which such member will attain age sixty;

8 (2) Beginning at age sixty if the member has completed at least five but
9 not more than ten years of creditable service, or at any later age after the member
10 has completed at least five years of creditable service. Unless subdivision (3) of
11 this section shall be applicable, the benefit as computed under section 86.650
12 shall be reduced by one-half of one percent for each month the effective date is
13 prior to the first day of the month following that in which such member will
14 attain age sixty-five;

15 (3) At any time after the member's total of age and years of creditable
16 service equals or exceeds eighty, in which event the benefit shall be as computed
17 under section 86.650 without any reduction.]
18

[86.665. 1. Any member entitled to commence a pension under and
2 pursuant to either section 86.650 or 86.660 may elect an optional distribution
3 under the partial lump-sum option plan provided in this section if such member:

4 (1) Notifies the retirement system in writing of such member's retirement
5 date at least ninety days in advance thereof and requests an explanation of such
6 member's rights under and pursuant to this section; and

7 (2) Notifies the retirement system of the member's election hereunder at
8 least thirty days in advance of the retirement date.

9 Following receipt of an initial notice of a member's retirement date and request
10 for an explanation hereunder, the retirement system shall, at least sixty days in
11 advance of such retirement date, provide such member a written explanation of
12 such member's rights under and pursuant to this section and an estimate of the
13 amount by which such member's regular monthly base pension would be reduced
14 in the event of the member's election of any of the options available to such
15 member under and pursuant to this section.

16 2. (1) A member entitled to make an election under and pursuant to this
17 section may elect to receive a lump sum distribution with such member's initial
18 monthly pension payment under and pursuant to section 86.650 or 86.660,
19 subject to all the terms of this section. The member may elect the amount of the
20 member's lump sum distribution from one, but not more than one, of the
21 following options for which such member qualifies:

22 (a) A member having one or more years of creditable service after such
23 member's eligible retirement date may elect a lump sum amount equal to twelve
24 times the initial monthly base pension the member would receive if no election
25 were made under and pursuant to this section;

26 (b) A member having two or more years of creditable service after such
27 member's eligible retirement date may elect a lump sum amount equal to
28 twenty-four times the initial monthly base pension the member would receive if
29 no election were made under and pursuant to this section; or

30 (c) A member having three or more years of creditable service after such
31 member's eligible retirement date may elect a lump sum amount equal to
32 thirty-six times the initial monthly base pension the member would receive if no
33 election were made under and pursuant to this section.

34
35 For purposes of this section, "eligible retirement date" for a member shall mean
36 the earliest date on which the member could elect to retire and be entitled to
37 receive a pension under and pursuant to either section 86.650 or 86.660.

38 (2) When a member makes an election to receive a lump-sum distribution
39 under and pursuant to this section, the base pension that the member would have
40 received in the absence of an election shall be reduced on an actuarially
41 equivalent basis to reflect the payment of the lump sum distribution, and the
42 reduced base pension shall be the member's base pension thereafter for all
43 purposes relating to base pension amounts under and pursuant to sections 86.600
44 to 86.790.

45 (3) If a member electing a lump sum distribution under and pursuant to
46 this section has elected the optional annuity described in section 86.650, the
47 calculation of such member's pension shall be made in the following order:

48 (a) The amount of the member's normal pension under and pursuant to
49 section 86.650 shall be reduced if applicable by any reductions required under
50 and pursuant to section 86.660;

51 (b) The amount of the normal pension as determined under and pursuant
52 to paragraph (a) of this subdivision shall be reduced to the actuarially equivalent
53 amount to produce the optional form of annuity described in subsection 2 of
54 section 86.650;

55 (c) The amount of reduced pension as determined under and pursuant to
56 paragraph (b) of this subdivision shall be further reduced as required to produce
57 an actuarially equivalent benefit in the form of the lump-sum distribution option
58 elected under and pursuant to this section and a remaining monthly annuity which

59 shall be paid on the basis that the annuity for the member's spouse if such spouse
60 survives the member shall be the same amount as the annuity paid the member
61 and shall be paid to such surviving spouse for the lifetime of such spouse without
62 regard to remarriage.

63 3. An election under and pursuant to this section to receive a lump sum
64 distribution and reduced monthly base pension shall be void if the member dies
65 before retirement, and amounts due a surviving spouse or other beneficiary of the
66 member shall be determined without regard to such election.]

67

2 [86.670. A member who becomes totally and permanently disabled, as
3 defined in this section, shall be entitled to retire on the first day of the month
4 following termination of employment arising from such disability, provided as
5 follows:

6 (1) Members who are eligible and totally and permanently disabled, as
7 defined herein, shall receive a disability pension computed as follows:

8 (a) Duty disability: Fifty percent of final compensation at date of
9 disability;

10 (b) Nonduty disability: Thirty percent of final compensation, but in no
11 event less than the amount the member would be entitled to as a pension if he
12 retired on the same date with equivalent age and creditable service;

13 (c) The annuity shall cease upon the first day of the month following
14 death except that a surviving spouse shall be entitled to death benefits as
15 computed in accordance with subsection 2 of section 86.690;

16 (2) (a) "Duty disability" shall mean total and permanent disability
17 directly due to and caused by actual performance of employment with the police
18 department;

19 (b) "Nonduty disability" shall mean total and permanent disability arising
20 from any other cause than duty disability. Only members with ten years or more
21 of creditable service shall be eligible;

22 (3) "Total and permanent disability" shall mean a state or condition
23 which presumably prevents for the rest of a member's life his engaging in any
24 occupation or performing any work for remuneration or profit. Such disability,
25 whether duty or nonduty, must not have been contracted, suffered, or incurred
26 while the employee was engaged in or as a result of having been engaged in a
27 criminal act or enterprise, or resulting from habitual drunkenness or addiction to
28 narcotics or from self-inflicted injury, or from disability incurred while in the
29 service of the armed forces of the United States or any foreign country. No
30 benefit shall be payable if the disability results from or is incurred while the
31 member is engaged in self-employment or in any occupation or performing any
32 work for remuneration or profit not in the service of the police department. The
33 retirement board in its sole judgment shall determine whether the status of total
34 and permanent disability exists. Its determination shall be binding and
conclusive. The retirement board shall rely upon the findings of a medical board

35 of three physicians. The written opinion of any one shall be required. The
36 medical board shall be appointed by the retirement board and expense for such
37 examinations as required shall be paid from funds of this retirement system.
38 From time to time, the retirement board shall have the right to require proof of
39 continuing disability which may include further examination by the medical
40 board;

41 (4) Should the retirement board determine that disability no longer exists,
42 it shall terminate the disability pension. If the member immediately returns to
43 work with the police department, he shall again earn creditable service beginning
44 on the first day of the month following such return. Creditable service prior to
45 disability retirement shall be reinstated. Should the member not return to work
46 with the police department, he shall be deemed to have terminated employment
47 by the police department at the time his disability retirement commenced; but in
48 calculating any benefits due him upon such presumption, the retirement system
49 shall receive credit for all amounts paid such member during his period of
50 disability, except that such member shall not be obligated in any event to repay
51 to the retirement system any amounts properly paid to him during such period of
52 disability.]
53

2 [86.671. 1. Any periodic payment, excluding payments for medical
3 treatment, which may be paid or payable by the cities pursuant to the provisions
4 of any workers' compensation or similar law to a member or to the dependents
5 of a member on account of any disability or death shall be offset against any
6 benefits payable to the recipient of the workers' compensation payments from
7 funds provided by the cities pursuant to the provisions of sections 86.600 to
8 86.790 on account of the same disability or death. In no event, however, shall the
9 amount paid from funds pursuant to the provisions of sections 86.600 to 86.790
10 be less than the amount which represents the member's percentage, as defined in
11 subsection 4 of this section, of total benefits payable pursuant to sections 86.600
12 to 86.790, before any offset for workers' compensation benefits.

13 2. Any lump sum amount, excluding payments for medical treatments,
14 which may be paid or payable by the cities pursuant to the provisions of any
15 workers' compensation or similar law to a member or to the dependents of a
16 member on account of any disability or death shall be offset against any benefits
17 payable from funds provided by the cities pursuant to the provisions of sections
18 86.600 to 86.790 on account of the same disability or death. The amounts by
19 which each periodic payment made pursuant to the provisions of sections 86.600
20 to 86.790 is offset or reduced shall be computed as the periodic amount necessary
21 to amortize as an annuity over the period of time represented by the respective
22 workers' compensation benefits the total amount of the lump sum settlement
23 received as a workers' compensation benefit by a beneficiary of the retirement
24 system. Such computation shall be based upon the same interest rate and
mortality assumptions as used for the retirement system at the time of such

25 computation. In no event, however, shall the amount paid from funds pursuant
26 to the provisions of sections 86.600 to 86.790 be less than the amount which
27 represents the member's percentage, as defined in subsection 4 of this section, of
28 total benefits payable pursuant to sections 86.600 to 86.790, before any offset for
29 workers' compensation benefits.

30 3. The retirement board shall adopt such rules and regulations as may be
31 necessary to effectuate the purposes of this section.

32 4. As used in this section, the term "member's percentage" shall be the
33 fraction of which the numerator is the percentage of compensation contributed
34 by a working member to the retirement pension system pursuant to section
35 86.760 during the pay period immediately preceding such member's death or
36 disability which created entitlement to benefits and the denominator is the sum
37 of percentages of a member's compensation contributed by a working member
38 and the city pursuant to section 86.760 to the retirement pension system during
39 such pay period. Such percentage shall identify the portion of any benefits due
40 pursuant to the provisions of sections 86.600 to 86.790 which is deemed to have
41 been provided by the member's own contributions.]
42

[86.672. 1. Any member who retires after August 28, 1996, and who is
2 entitled to a pension under sections 86.600 to 86.790, shall receive each month,
3 in addition to such member's base pension and any other benefits provided in
4 sections 86.600 to 86.790, a supplemental retirement health insurance benefit in
5 the amount of fifty dollars per month. Any person who receives such a
6 supplemental retirement health insurance benefit may also receive not more
7 frequently than annually, in addition to a base pension as may be adjusted
8 pursuant to section 86.675 and in addition to such supplemental retirement
9 benefit, a cost-of-living adjustment to the supplemental retirement health
10 insurance benefit in monthly adjustment increments to be determined by the
11 retirement board.

12 2. Any member who retired after August 28, 1995, and on or before
13 August 28, 1996, and who met the requirements of subsection 7 of this section
14 on the date of such member's retirement, shall receive each month, in addition to
15 such member's base pension and any other benefits provided in sections 86.600
16 to 86.790, a supplemental retirement health insurance benefit in the amount of
17 fifty dollars per month payable until the member attains the age of sixty-five
18 years. Any person who receives such a supplemental retirement health insurance
19 benefit may also receive not more frequently than annually, in addition to a base
20 pension as may be adjusted pursuant to section 86.675, and in addition to such
21 supplemental retirement health insurance benefit, a cost-of-living adjustment to
22 the supplemental retirement health insurance benefit in monthly adjustment
23 increments to be determined by the retirement board.

24 3. Any member who retired after August 28, 1992, and on or before
25 August 28, 1995, and who met the requirements of subsection 7 of this section

26 on the date of such member's retirement, shall receive each month, in addition to
27 the member's base pension and any other benefits provided in sections 86.600 to
28 86.790, a supplemental retirement health insurance benefit in the amount of fifty
29 dollars per month payable until the member attains the age of sixty-five years.
30 Any member who was retired after August 28, 1992, and on or before August 28,
31 1995, and who receives a supplemental retirement health insurance benefit, shall
32 upon application to the retirement board, be made, constituted, appointed and
33 employed by the retirement board as a special consultant on the problems of
34 retirement, aging and other matters, until the member attains the age of sixty-five
35 years, and upon request of the retirement board shall give opinions and be
36 available to give opinions in writing or orally, in response to such requests, as
37 may be required. For such services the member shall be compensated monthly,
38 in addition to a base pension as may be adjusted pursuant to section 86.675, and
39 in addition to the supplemental retirement health insurance benefit set out in this
40 subsection, by a cost-of-living adjustment to the supplemental retirement health
41 insurance benefit payable in monthly adjustment increments to be determined by
42 the retirement board.

43 4. Any member who retired on or before August 28, 1999, who at the
44 time of such retirement was entitled to a pension under sections 86.600 to 86.790
45 and who either was not eligible for any supplemental retirement health insurance
46 benefits or was eligible for and began receiving supplemental retirement health
47 insurance benefits but ceased eligibility by attaining age sixty-five, shall upon
48 application to the retirement board, be made, constituted, appointed and
49 employed by the retirement board as a special consultant on the problems of
50 retirement, aging and other matters, and upon request of the retirement board
51 shall give opinions and be available to give opinions in writing or orally in
52 response to such requests, as may be required. For such services the member
53 shall, beginning the later of August 28, 1996, or the time of such appointment
54 under this subsection, be compensated monthly, in addition to a base pension as
55 may be adjusted pursuant to section 86.675, by a supplemental retirement health
56 insurance benefit in the amount of fifty dollars per month, for assistance in
57 meeting hospitalization and medical care costs or other expenses, and by a
58 cost-of-living adjustment to the supplemental retirement health insurance benefit,
59 in monthly adjustment increments to be determined by the retirement board.

60 5. The determination of cost-of-living adjustments under this section
61 shall be based on advice of the plan's actuary that the increase in the benefit will
62 not cause the present value of anticipated future plan benefits calculated on the
63 actuarial assumptions used for the last annual valuation to exceed the sum of the
64 retirement system assets plus the present value of anticipated contributions to the
65 retirement system. The determination of whether an adjustment will satisfy said
66 actuarial standard shall be made at the time an increase is granted. If at any time
67 the retirement system shall cease to satisfy such standard, all benefit payments
68 shall continue as adjusted by increases theretofore granted. A member of the

69 retirement board shall have no personal liability for granting increases under this
70 section if that retirement board member in good faith relied and acted upon
71 advice of a qualified actuary that the retirement system would satisfy such
72 standard at the time an adjustment is made. In determining and granting
73 cost-of-living adjustments under this section, the retirement board shall adopt
74 such rules and regulations as may be necessary to effectuate the purposes of this
75 section, including provisions for the manner of computation of such adjustments
76 and the effective dates thereof. The retirement board shall provide for such
77 adjustments to be determined once each year and granted on a date or dates to be
78 chosen by the board and may apply such adjustments in full to members who
79 have retired during the year prior to such adjustments but who have not been
80 retired for one full year.

81 6. Any member's employment as a special consultant under subsection
82 3 or 4 of this section shall in no way affect such member's eligibility for
83 retirement benefits under the provisions of sections 86.600 to 86.790, or in any
84 way have the effect of reducing retirement benefits otherwise payable to such
85 member.

86 7. Members entitled to the benefits provided in subsections 2 and 3 of
87 this section are those members who:

88 (1) Are under the age of sixty-five years; and

89 (2) (a) Have at least twenty-five years of creditable service; or

90 (b) Have a total of age and years of creditable service which equals or
91 exceeds eighty; or

92 (c) Meet the eligibility requirements for a duty disability pension under
93 the provisions of section 86.670.

94 8. For purposes of this section, the term "member" shall include a
95 surviving spouse who is entitled to a pension under sections 86.600 to 86.790.
96 In determining which subsection or subsections are applicable in a given
97 instance, the surviving spouse shall be deemed to have retired on the date of
98 retirement of the member of whom such person is the surviving spouse or on the
99 date of death of such member if such member died prior to retirement. Any such
100 surviving spouse of a member who dies while entitled to payments under this
101 section shall succeed to the full amount of payment under this section to which
102 such member was entitled at the time of such member's death, including any
103 cost-of-living adjustments received by such member in the payment hereunder
104 prior to such member's death.]

105

2 [86.675. 1. Any member, as defined in subsection 4 of this section, who
3 is entitled to a pension under sections 86.600 to 86.790 may receive, in addition
4 to such member's base pension, a cost-of-living adjustment in an amount not to
5 exceed three percent of such base pension during any one year, provided that the
6 retirement system shall remain actuarially sound. The determination of whether
the retirement system will remain actuarially sound shall be made at the time

7 such cost-of-living adjustment is granted. If at any time the retirement system
8 becomes actuarially unsound, pension payments shall continue as adjusted by
9 increases theretofore granted. A member of the retirement board shall have no
10 personal liability for granting increases under this subsection if that retirement
11 board member in good faith relied and acted upon advice of a qualified actuary
12 that the retirement system would remain actuarially sound.

13 2. The cost-of-living adjustment provided by this section shall be an
14 increase or decrease computed on the base pension amount by the retirement
15 board in an amount that the board, in its discretion, determines to be satisfactory,
16 but in no event shall the adjustment be more than three percent or reduce the
17 pension to an amount less than the base pension.

18 3. In determining and granting the cost-of-living adjustments provided
19 by this section, the retirement board shall adopt such rules and regulations as may
20 be necessary to effectuate the purposes of this section, including provisions for
21 the manner of computation of such adjustments and the effective dates thereof.
22 The retirement board shall provide for such adjustments to be determined once
23 each year and granted on a date or dates to be chosen by the board, and may apply
24 such adjustments in full to members who have retired during the year prior to
25 such adjustments but who have not been retired for one full year.

26 4. As used in this section, the term "base pension" shall mean the pension
27 computed under the provisions of the law as of the date of retirement of the
28 member without regard to cost-of-living adjustment. As used in this section, the
29 term "member" shall include:

30 (1) A surviving spouse without regard to remarriage; and
31 (2) A surviving spouse, without regard to remarriage, who is receiving
32 an optional annuity pursuant to an election pursuant to subsection 2 of section
33 86.650.

34 5. If a member who has been retired and receiving a pension dies after
35 August 28, 2001, the surviving spouse of such member entitled to receive a base
36 pension pursuant to section 86.690 shall also receive a percentage cost-of-living
37 adjustment to his or her respective base pension equal to the total percentage
38 cost-of-living adjustments received during such member's lifetime pursuant to
39 this section.]

40
2 [86.676. If a city and the police department of such city adopt any
3 program of incentives to authorize or encourage early retirements, whether for
4 employees not yet eligible for regular retirement or for employees who are
5 eligible but have not yet chosen to retire or for both, the retirement board shall
6 be authorized to administer and pay such incentives for retirees who accept such
7 incentives and are members of this retirement system under and pursuant to
8 sections 86.600 to 86.790, in addition to such other benefits as such members or
9 their beneficiaries are entitled to receive under and pursuant to sections 86.600
to 86.790, provided such city shall so request and shall agree to increase said

10 city's contribution under and pursuant to section 86.760 sufficiently to provide
11 the full actuarial cost of any such incentives in addition to the contribution
12 required of such city necessary, in conjunction with members' contribution under
13 and pursuant to section 86.760, to provide all other benefits provided under and
14 pursuant to sections 86.600 to 86.790.]
15

[86.680. 1. Each person who becomes a member of this retirement
2 system pursuant to the provisions of sections 86.600 to 86.790 shall remain a
3 member until the earliest to occur of the following events:

4 (1) The termination of employment of such person by the applicable
5 police department and the payment to him of all benefits due him pursuant to the
6 provisions of sections 86.600 to 86.790, unless such termination of employment
7 by the police department shall be for the purpose of entering military service in
8 a national emergency;

9 (2) The termination of employment by the police department to enter
10 military service in a national emergency and the failure of such person to return
11 to employment by such department within one year after his discharge from the
12 military service, unless there shall remain benefits due such person pursuant to
13 the provisions of sections 86.600 to 86.790, in which event such person's
14 membership shall terminate pursuant to this subdivision when there shall no
15 longer remain any such benefits due such person; and

16 (3) The death of such person.

17 2. If the surviving spouse of a member is entitled to a pension benefit,
18 such surviving spouse shall be a member of the retirement system for so long as
19 such surviving spouse shall remain entitled to such benefit. Any beneficiary or
20 survivor of a deceased member shall not be a member of this retirement system
21 if such beneficiary or survivor is not a surviving spouse entitled to benefits
22 pursuant to the provisions of sections 86.600 to 86.790, irrespective of whether
23 there may remain benefits due such beneficiary or survivor from this system.]
24

[86.690. 1. Upon death after August 28, 2001, of a member for any cause
2 prior to retirement, the following amounts shall be payable subject to subsection
3 5 of this section, as full and final settlement of any and all claims for benefits
4 under this retirement system:

5 (1) If the member has less than five years of creditable service, the
6 member's surviving spouse shall be paid, in a lump sum, the amount of
7 accumulated contributions and interest. If there be no surviving spouse, payment
8 shall be made to the member's designated beneficiary, or if none, to the executor
9 or administrator of the member's estate.

10 (2) If the member has at least five, but less than twenty years of
11 creditable service, the member's surviving spouse may elect, in lieu of the lump
12 sum settlement in subdivision (1) of this subsection, an annuity. Such annuity
13 shall be one-half of the member's accrued annuity at date of death as computed

14 in section 86.650. The effective date of the election shall be the latter of the first
15 day of the month after the member's death or attainment of what would have been
16 the member's early retirement date as provided in section 86.660.

17 (3) If the member has at least twenty years of creditable service, the
18 member's surviving spouse may elect, in lieu of the lump sum settlement in
19 subdivision (1) of this subsection, the larger of the annuity as computed in
20 subdivision (2) of this subsection or an annuity determined on a joint and
21 survivor's basis from the actuarial value of the member's accrued annuity at date
22 of death.

23 (4) Any death of a retired member occurring before the date of first
24 payment of the retirement annuity shall be deemed to be a death before
25 retirement.

26 (5) Benefits payable pursuant to this section shall continue for the
27 lifetime of such surviving spouse without regard to remarriage.

28 (6) No surviving spouse of a member who dies in service after August
29 28, 2001, shall be entitled to receive any benefits pursuant to sections 86.600 to
30 86.790 unless such spouse was married to the member at the time of the
31 member's death in service.

32 2. Upon death following retirement for any cause after August 28, 2001,
33 of a member who has not elected the optional annuity pursuant to section 86.650,
34 the member's surviving spouse shall receive a pension payable for life, equaling
35 one-half of the member's normal retirement allowance, computed under section
36 86.650, as of the member's actual retirement date, subject to adjustments
37 provided in subsection 5 of section 86.675, if any; provided, no surviving spouse
38 of a member who retires after August 28, 2001, shall be entitled to receive any
39 benefits pursuant to sections 86.600 to 86.790 unless such spouse was married
40 to the member at the time of the member's retirement. Any surviving spouse who
41 was married to such a member at the time of the member's retirement shall be
42 entitled to all benefits for surviving spouses pursuant to sections 86.600 to 86.790
43 for the life of such surviving spouse without regard to remarriage. If there be no
44 surviving spouse, payment of the member's accumulated contributions less the
45 amount of any prior payments from the retirement system to the member or to
46 any beneficiary of the member shall be made to the member's designated
47 beneficiary or, if none, to the personal representative of the member's estate.

48 3. Any surviving spouse of a member who dies in service or retired prior
49 to August 28, 2001, who otherwise qualifies for benefits pursuant to subsection
50 1 or 2 of this section and who has not remarried prior to August 28, 2001, but
51 remarries thereafter, shall upon application to the retirement board be appointed
52 by the retirement board as a special consultant on the problems of retirement,
53 aging and other matters, and upon request of the retirement board shall give
54 opinions in writing or orally in response to such requests, as may be required.
55 For such services, such surviving spouse shall be compensated in an amount

56 equal to the benefits such spouse would have received pursuant to sections
57 86.600 to 86.790 in the absence of such remarriage.

58 4. Should the total amount paid from the retirement system to a member,
59 the member's surviving spouse, any other beneficiary of the member, and the
60 funeral benefit under subsection 6 of this section be less than the member's
61 accumulated contributions, an amount equal to such difference shall be paid to
62 the member's designated beneficiary or, if none, to the personal representative of
63 the member's estate, and such payment shall constitute full and final payment of
64 any and all claims for benefits under the retirement system.

65 5. Any beneficiary of benefits pursuant to sections 86.600 to 86.790 who
66 becomes the surviving spouse of more than one member shall be paid all benefits
67 due a surviving spouse of that member whose entitlements produce the largest
68 surviving spouse benefits for such beneficiary but shall not be paid surviving
69 spouse benefits as the surviving spouse of more than one member, except that
70 any surviving spouse for whom an election has been made for an optional annuity
71 under subsection 2 of section 86.650 shall be entitled to every annuity for which
72 such surviving spouse has so contracted.

73 6. (1) Upon receipt of the proper proof of death of a member in service
74 after August 28, 2003, or the death of a member in service on or after August 28,
75 2003, who dies after having been retired and pensioned, there shall be paid in
76 addition to all other benefits a funeral benefit of one thousand dollars.

77 (2) Any member who was retired on or before August 28, 2003, and is
78 receiving retirement benefits from the retirement system, upon application to the
79 retirement board, shall be appointed by the retirement board as a special
80 consultant on the problems of retirement, aging, and other matters, for the
81 remainder of such member's life, and upon request of the retirement board shall
82 give opinions and be available to give opinions in writing or orally, in response
83 to such requests, as may be required. Upon receipt of the proper proof of death
84 of such member, there shall be paid in addition to all other benefits a funeral
85 benefit of one thousand dollars.]

86
2 [86.700. There shall be a retirement board whose members shall serve
3 without compensation but shall be reimbursed from the pension fund for any
4 necessary expenses which they may incur for service on the board. The board
5 shall adopt rules and regulations for the administration of the affairs of the
6 retirement system. The members of the retirement board for civilian employees
7 of the retirement systems herein enacted shall be the same as the members of the
8 retirement board for police officers as provided in section 86.393, and upon
9 election or appointment as provided in section 86.393, shall be vested with full
10 authority to administer the retirement system provided in sections 86.600 to
11 86.790, and shall be vested with full authority to do all things necessary and
12 required herein; but all funds received for the administration of this retirement
system shall be kept separately and not commingled with funds included in

13 retirement systems provided in sections 86.370 to 86.497. The members of this
14 retirement system provided in sections 86.600 to 86.790 shall be entitled to vote
15 in the election of elected members of the retirement board as provided in section
16 86.393.]
17

2 [86.710. Each member of the retirement board shall, within ten days after
3 his appointment or election, take an oath of office that, so far as it devolves upon
4 him, he will diligently and honestly administer the affairs of the board and that
5 he will not knowingly violate or willingly permit to be violated any of the
6 provisions of the law applicable to the retirement system for civilian employees
7 of the police department. The oath shall be subscribed to by the member and
filed with the clerk of the city.]

2 [86.720. The general administration and the responsibility for the proper
3 operation of the retirement system and for making effective the provisions of
4 sections 86.600 to 86.790 are hereby vested in the retirement board. The
5 retirement board shall, from time to time, establish rules and regulations for the
6 administration of its assets and for the transaction of its business. The retirement
7 board shall be deemed to be a state agency within the meaning of chapter 536,
8 RSMo. The retirement board shall elect from its membership a chairman, a vice
9 chairman, and a treasurer, and shall, by majority vote of its members, appoint a
10 secretary, who may be but need not be one of its members. The retirement board
11 may employ any actuarial, legal and other services as may be necessary to
12 transact the business of the retirement system. The compensation of all persons
13 employed by the retirement board and all other expenses of the board necessary
14 for the operation of the retirement system shall be paid in the manner as the
15 retirement board shall determine; except that the compensation of the persons as
16 may be employed by the retirement board shall not be greater than the
17 compensation paid for comparable abilities by the government of the city in
18 which the retirement board is located.]

2 [86.730. 1. Each member of the retirement board shall be entitled to one
3 vote in the decisions of the board. Five votes or more in favor shall be necessary
4 to pass a motion by the retirement board at any meeting of the board.

5 2. The retirement board shall keep in convenient form the data necessary
6 for the administration of the retirement system. The retirement board shall keep
7 a record of all its proceedings which shall be open to public inspection. It shall
8 publish annually in pamphlet form a report prepared by certified public
9 accountants showing the fiscal transactions of the retirement system for the
10 preceding fiscal year, the status of assets and liabilities and the amount of cash
11 on hand. One copy of the annual report shall be delivered to each member of the
12 retirement system, one copy to each member of the retirement board, one copy
shall be filed with the city clerk and one copy delivered to each member of the

13 board of police commissioners. The retirement board shall cause an actuarial
14 study and calculation to be made in 1968 based upon the experiences of the
15 retirement system by an independent firm of pension actuaries and shall cause
16 actuarial studies and calculations to be made each five years thereafter.

17 3. The retirement board shall before January tenth of each year certify to
18 the chief financial officer of the city the amount to be paid by the city under the
19 retirement pension system for the succeeding fiscal year.

20 4. The retirement board shall adopt a common seal. The retirement board
21 may sue and be sued in its own name and the suits shall constitute suits by or
22 against the members of the retirement board in their representative capacities and
23 not as individuals.]
24

2 [86.740. The retirement board's findings on all issues of fact shall be final
3 and conclusive upon all parties concerned, when the findings are supported by
4 competent and substantial evidence. Rulings of the retirement board on questions
5 of law and whether the ruling is supported by competent and substantial evidence
6 may be reviewed, upon application of any party, by the circuit court of the county
7 in which the cities are located.]

2 [86.745. 1. The retirement board may purchase with retirement system
3 assets from one or more insurers licensed to do business in this state one or more
4 insurance policies that provide for reimbursement of the retirement system and
5 any trustee, member of the retirement board, officer, or employee of the
6 retirement system for liability imposed or damages because of an alleged act,
7 error, or omission committed in the trustee's, board member's, officer's, or
8 employee's capacity as a fiduciary, officer, or employee of the retirement system
9 and for costs and expenses, including attorney fees, incurred as a trustee, board
10 member, officer, or employee in defense of a claim for an alleged act, error, or
11 omission, as long as the insurance policy does not provide for reimbursement of
12 a trustee, board member, officer, or employee for liability imposed or expenses
13 incurred because of the trustee's, board member's, officer's, or employee's
14 personal dishonesty, fraud, lack of good faith, or intentional failure to act
15 prudently.

16 2. If the insurance coverage described in subsection 1 of this section is
17 insufficient or is not in effect, the retirement board may indemnify any person
18 who was or is a party or is threatened to be made a party to any threatened,
19 pending or completed action, suit or proceeding, whether civil, criminal,
20 administrative or investigative, by reason of the fact that the person is or was a
21 member of the retirement board, or is or was serving at the request of the
22 retirement board in the capacity which caused the person's relationship to such
23 action, suit or proceeding, against expenses, including attorneys' fees, judgments,
24 fines and amounts paid in settlement actually and reasonably incurred by the
person in connection with such action, suit or proceeding, if the person acted in

25 good faith and without willful malfeasance, and, with respect to any criminal
26 action or proceeding, had reasonable cause to believe the relevant conduct was
27 lawful. The termination of any action, suit or proceeding by judgment, order,
28 settlement, conviction or upon a plea of nolo contendere or its equivalent shall
29 not, of itself, create a presumption that the person did not act in good faith, or,
30 with respect to any criminal action or proceeding, that the person did not have
31 reasonable cause to believe that the relevant conduct was lawful.

32 3. To the extent that a member of the retirement board has been
33 successful on the merits or otherwise in defense of any action, suit or proceeding
34 referred to in subsections 1 and 2 of this section, or in defense of any claim, issue
35 or matter therein, the person shall be indemnified against expenses, including
36 attorneys' fees, actually and reasonably incurred in connection with the action,
37 suit or proceeding that are not covered by the insurance described in subsection
38 1 of this section.

39 4. Any indemnification under this section, unless ordered by a court, shall
40 be made by the retirement board only as authorized in each specific case upon a
41 determination that indemnification of any person potentially entitled to
42 indemnification hereunder is proper in the circumstances because the person has
43 met the applicable standard of conduct set forth in this section. The
44 determination shall be made by the retirement board by a majority vote of a
45 quorum consisting of members of the retirement board who are not parties to the
46 action, suit or proceeding, or if such a quorum is not obtainable, or even if
47 obtainable a quorum of disinterested members of the retirement board so directs,
48 by independent legal counsel (who may but need not be counsel to the retirement
49 system) in a written opinion.

50 5. Expenses incurred in defending a civil or criminal action, suit or
51 proceeding may be paid by the retirement board in advance of the final
52 disposition of the action, suit or proceeding as authorized by the retirement board
53 in the specific case upon receipt of an undertaking by or on behalf of the person
54 potentially entitled to indemnification hereunder to repay such amount unless it
55 shall ultimately be determined that the person is entitled to be indemnified by the
56 retirement board as authorized in this section.]

57

2 [86.750. 1. The retirement board shall act as trustee of the funds created
3 by or collected pursuant to the provisions of sections 86.600 to 86.790. With
4 appropriate safeguards against loss by the retirement system, the board may
5 designate one or more banks or trust companies to serve as a depository of
6 retirement system funds and intermediary in the investment of those funds and
7 payment of system obligations. The board shall promptly deposit the funds with
8 any such designated bank or trust company.

9 2. The retirement board shall have power, in the name and on behalf of
10 the retirement pension system, to purchase, acquire, hold, invest, lend, lease, sell,
assign, transfer and dispose of all property, rights, and securities, and enter into

11 written contracts, all as may be necessary or proper to carry out the provisions of
12 sections 86.600 to 86.790. No investment transaction authorized by the
13 retirement board shall be handled by any company or firm in which a member of
14 the board has an interest, nor shall any member of the board profit directly or
15 indirectly from any such investment. All investments shall be made for the
16 account of the retirement system, and any securities or other properties obtained
17 by the retirement board may be held by the custodian in the name of the
18 retirement system, or in the name of the nominee in order to facilitate the
19 expeditious transfer of such securities or other property. Such securities or other
20 properties may be held by such custodian in bearer form or in book entry form.
21 The retirement system is further authorized to deposit, or have deposited for its
22 account, eligible securities in a central depository system or clearing corporation
23 or in a federal reserve bank under a book entry system as defined in the uniform
24 commercial code, sections 400.8-102 and 400.8-109, RSMo. When such eligible
25 securities of the retirement system are so deposited with the central depository
26 system they may be merged and held in the name of the nominee of such
27 securities depository and title to such securities may be transferred by
28 bookkeeping entry on the books of such securities depository or federal reserve
29 bank without physical delivery of the certificates or documents representing such
30 securities.

31 3. The income from investments shall be credited to the funds of the
32 retirement system at frequent intervals satisfactory to the retirement board. All
33 payments from the funds shall be made by the bank or trust company only upon
34 orders signed by the secretary and treasurer of the retirement board, except as
35 otherwise provided in this section. No order shall be drawn unless it shall have
36 previously been allowed by a specific or an ongoing generalized resolution of the
37 retirement board. In the case of payments for benefits, services, supplies or
38 similar items in the ordinary course of business, such board resolutions may be
39 ongoing generalized authorizations, provided that each payment other than
40 payments to members or beneficiaries for benefits shall be reported to the board
41 at its next following meeting and shall be subject to ratification and approval by
42 the board. All bonds or securities acquired and held by the retirement board shall
43 be kept in a safe-deposit box, and access thereto shall be had only by the secretary
44 and treasurer, jointly; except that, the retirement board may contract with a bank
45 or trust company to act as a custodian of the bonds and securities, in which case
46 the retirement board may authorize such custodian bank or trust company to order
47 purchases, loans or sales of investments by such custodian bank or trust company,
48 and may also appoint one or more investment managers to manage investments
49 of the retirement pension system and in the course of such management to order
50 purchases, loans or sales of investments by such custodian bank or trust company,
51 subject to such limitations, reporting requirements and other terms and
52 restrictions as the retirement board may include in the terms of each such
53 appointment.]

2 [86.760. 1. Beginning October 1, 1965, the police board of the cities
3 specified in sections 86.600 to 86.790 shall cause to be deducted from the salary
4 or wages of each member of the civilian employees' retirement system an amount
5 of his base rate of monthly compensation as determined by the retirement board,
6 which amount shall not be less than five percent of his base rate of monthly
7 compensation until the member's retirement.

8 2. The cities specified in sections 86.600 to 86.790 shall contribute to the
9 retirement pension system such an amount as may be necessary to pay the
10 pensions as they accrue from year to year, and such additional amounts as may
11 be necessary to maintain the system on a sound actuarial basis and as determined
12 by the retirement board as certified in section 86.730.]

2 [86.770. All employer and member contributions or other payments to
3 the retirement system and all income from investments shall be credited to the
4 funds of the retirement system. All benefits and all necessary administrative
5 expenses of the retirement system shall be paid from the funds of the retirement
6 system. The payment of the benefits granted under the provisions of sections
7 86.600 to 86.790 and the expense in connection with the operation of the
8 retirement system are hereby made obligations of the employer. All payments
9 from the funds of the retirement system shall be made only upon voucher signed
10 by two persons designated by the retirement board. No voucher shall be drawn
11 unless it has been previously approved by the retirement board, either specifically
12 or on an ongoing generalized basis as permitted by subsection 3 of section
13 86.750.]

2 [86.780. The moneys in the various funds created pursuant to sections
3 86.600 to 86.790 are hereby exempt from any tax of the state of Missouri or of
4 any other municipality or political subdivision thereof. Neither such funds, nor
5 the right of any person to a benefit accruing pursuant to the provisions of sections
6 86.600 to 86.790 shall be subject to execution, garnishment, attachment, or to any
7 other process whatsoever and the right shall be unassignable except as
8 specifically provided in sections 86.600 to 86.790 and except for court orders or
9 assignments approved by a court to provide support for family members or a
10 former spouse of any person entitled to benefits under sections 86.600 to 86.790.
11 A revocable request or authorization by a member or a beneficiary to withhold
12 and apply for the requester's convenience some portion or all of a benefit
13 payment, such as a request to apply some portion of a benefit payment to a
14 medical insurance premium, shall not be deemed an assignment prohibited
15 pursuant to this section provided that any such request shall remain revocable at
16 all times except as to payments or withholdings effected prior to any such
17 revocation. The retirement system may, but shall not be obligated to, comply
18 with any such request.]

2 [86.790. Any person who knowingly makes any false statement or
3 falsifies or permits to be falsified any record in an attempt to defraud the
retirement system forfeits all rights to which he may be entitled hereunder.]

