

SECOND REGULAR SESSION

# HOUSE BILL NO. 1357

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES JOHNSON (47) (Sponsor) AND KRAUS (Co-sponsor).

Read 1st time January 11, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4101L.01I

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### AN ACT

To repeal sections 86.1230 and 86.1600, RSMo, and to enact in lieu thereof two new sections relating to police retirement systems.

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

Section A. Sections 86.1230 and 86.1600, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 86.1230 and 86.1600, to read as follows:

86.1230. 1. Any member who retires subsequent to August 28, 1991, **and on or before**  
2 **August 28, 2006**, with entitlement to a pension under sections 86.900 to 86.1280, **and any**  
3 **member who retires subsequent to August 28, 2006, with entitlement to a pension under**  
4 **sections 86.900 to 86.1280 and who either has at least twenty-five years of creditable service**  
5 **or is retired as a result of an injury or illness occurring in the line of duty or course of**  
6 **employment under section 86.1180**, shall receive each month, in addition to such member's  
7 base pension and cost-of-living adjustments thereto under section 86.1220, and in addition to  
8 any other compensation or benefit to which such member may be entitled under sections 86.900  
9 to 86.1280, a supplemental retirement benefit of fifty dollars per month. The amount of such  
10 supplemental retirement benefit may be adjusted by cost-of-living adjustments determined by  
11 the retirement board not more frequently than annually. [Such determination shall be based on  
12 advice of the plan's actuary that the increase in the benefit will not cause the present value of  
13 anticipated future plan benefits, calculated on the actuarial assumptions used for the most recent  
14 annual valuation, to exceed the sum of the trust fund assets plus the present value of anticipated  
15 contributions to the trust fund.]

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.

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

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

38           4. For purposes of subsections 1 and 2 of this section, the term "member" shall include  
39 a surviving spouse entitled to a benefit under sections 86.900 to 86.1280 who shall be deemed  
40 to have retired for purposes of this section on the date of retirement of the member of whom such  
41 person is the surviving spouse or on the date of death of such member if such member died prior  
42 to retirement; provided, that if the surviving spouse of any member who retired prior to August  
43 28, 2000, shall not have remarried prior to August 28, 2000, but remarries thereafter, such  
44 surviving spouse shall thereafter receive benefits under subsection 2 of this section[, and];  
45 provided further, that no benefits shall be payable under this section to the surviving spouse of  
46 any member who retired prior to August 28, 2000, if such surviving spouse was at any time  
47 remarried after the member's death and prior to August 28, 2000; **and provided further, that**  
48 **no benefits shall be payable under this section to the surviving spouse of any member who**  
49 **died while in active service after August 28, 2006, unless such death occurred in the line**  
50 **of duty or course of employment or as the result of an injury or illness incurred in the line**  
51 **of duty or course of employment or unless such member had at least twenty-five years**

52 **creditable service. The surviving spouse of a member who died in service after August 28,**  
53 **2006, whose death occurred in the line of duty or course of employment or as the result of**  
54 **an injury or illness incurred in the line of duty or course of employment shall be entitled**  
55 **to benefits under subsection 1 of this section without regard to such member's years of**  
56 **creditable service.** All benefits payable to a surviving spouse under this section shall be in  
57 addition to all other benefits to which such surviving spouse may be entitled under other  
58 provisions of sections 86.900 to 86.1280. Any [such] **qualifying** surviving spouse of a member  
59 who dies while entitled to payments under this section shall succeed to the full amount of  
60 payment under this section to which such member was entitled at the time of such member's  
61 death, including any cost-of-living adjustments received by such member in the payment under  
62 this section prior to such member's death. In all events, the term "member" shall not include any  
63 children of the member who would be entitled to receive part or all of the pension which would  
64 be received by a surviving spouse if living.

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

86.1600. 1. Any member who retires subsequent to August 28, 1997, **and on or before**  
2 **August 28, 2006,** with entitlement to a pension under sections 86.1310 to 86.1640, **and any**  
3 **member who retires subsequent to August 28, 2006, with entitlement to a pension under**  
4 **sections 86.1310 to 86.1640 and who either has at least twenty-five years of creditable**  
5 **service or is retired as a result of an injury or illness occurring in the line of duty or course**  
6 **of employment under subdivision (1) of subsection 3 of section 86.1560,** shall receive each  
7 month, in addition to such member's base pension and cost-of-living adjustments thereto under  
8 section 86.1590, and in addition to any other compensation or benefit to which such member  
9 may be entitled under sections 86.1310 to 86.1640, a supplemental retirement benefit of fifty  
10 dollars per month. The amount of such supplemental retirement benefit may be adjusted by  
11 cost-of-living adjustments determined by the retirement board not more frequently than annually.  
12 [Such determination shall be based on advice of the plan's actuary that the increase in the benefit  
13 will not cause the present value of anticipated future plan benefits, calculated on the actuarial

14 assumptions used for the most recent annual valuation, to exceed the sum of the trust fund assets  
15 plus the present value of anticipated contributions to the trust fund.]

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

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

38       4. For purposes of subsections 1 and 2 of this section, the term "member" shall include  
39 a surviving spouse who is entitled to a benefit under sections 86.1310 to 86.1640, who shall be  
40 deemed to have retired for purposes of this section on the date of retirement of the member of  
41 whom such person is the surviving spouse or on the date of death of such member if such  
42 member died prior to retirement; **provided, that no benefits shall be payable under this**  
43 **section to the surviving spouse of any member who died while in active service after August**  
44 **28, 2006, unless such death occurred in the line of duty or course of employment or as the**  
45 **result of an injury or illness incurred in the line of duty or course of employment or unless**  
46 **such member had at least twenty-five years of creditable service. The surviving spouse of**  
47 **a member who died in service after August 28, 2006, whose death occurred in the line of**  
48 **duty or course of employment or as the result of an injury or illness incurred in the line of**  
49 **duty or course of employment shall be entitled to benefits under subsection 1 of this section**

50 **without regard to such member's years of creditable service.** All benefits payable to a  
51 surviving spouse under this section shall be in addition to all other benefits to which such  
52 surviving spouse may be entitled under other provisions of sections 86.1310 to 86.1640. Any  
53 [such] **qualifying** surviving spouse of a member who dies while entitled to payments under this  
54 section shall succeed to the full amount of payment under this section to which such member was  
55 entitled at the time of such member's death, including any cost-of-living adjustments received  
56 by such member in the payment under this section prior to such member's death.

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

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