

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1357
93RD GENERAL ASSEMBLY

Reported from the Committee on Retirement February 23, 2006 with recommendation that House Committee Substitute for House Bill No. 1357 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

4101L.02C

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.

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Section A. Sections 86.1230 and 86.1600, RSMo, are repealed and two new sections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 under section 86.1200 with at least fifteen years of creditable service, or is**
6 **retired under section 86.1180**, shall receive each month, in addition to such member's base
7 pension and cost-of-living adjustments thereto under section 86.1220, and in addition to any
8 other compensation or benefit to which such member may be entitled under sections 86.900 to
9 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

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.

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

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 fifteen 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 under subdivision (2) of subsection 1 of section 86.1560 with at least**
6 **twenty years of creditable service, or under subdivision (1) of subsection 1 of section**
7 **86.1560,** shall receive each month, in addition to such member's base pension and cost-of-living
8 adjustments thereto under section 86.1590, and in addition to any other compensation or benefit
9 to which such member may be entitled under sections 86.1310 to 86.1640, a supplemental
10 retirement benefit of fifty dollars per month. The amount of such supplemental retirement
11 benefit may be adjusted by cost-of-living adjustments determined by the retirement board not
12 more frequently than annually. [Such determination shall be based on advice of the plan's

13 actuary that the increase in the benefit will not cause the present value of anticipated future plan
14 benefits, calculated on the actuarial assumptions used for the most recent annual valuation, to
15 exceed the sum of the trust fund assets plus the present value of anticipated contributions to the
16 trust fund.]

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

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

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

49 **or course of employment or as the result of an injury or illness incurred in the line of duty**
50 **or course of employment shall be entitled to benefits under subsection 1 of this section**
51 **without regard to such member's years of creditable service.** All benefits payable to a
52 surviving spouse under this section shall be in addition to all other benefits to which such
53 surviving spouse may be entitled under other provisions of sections 86.1310 to 86.1640. Any
54 **[such] qualifying** surviving spouse of a member who dies while entitled to payments under this
55 section shall succeed to the full amount of payment under this section to which such member was
56 entitled at the time of such member's death, including any cost-of-living adjustments received
57 by such member in the payment under this section prior to such member's death.

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

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