

FIRST REGULAR SESSION

HOUSE BILL NO. 626

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FLOOK.

Read 1st time January 25, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1749L.01I

AN ACT

To repeal sections 86.1230 and 86.1600, RSMo, and to enact in lieu thereof two new sections relating to the police retirement system and the civilian employees' retirement system of the police department of Kansas City.

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Section A. Sections 86.1230 and 86.1600, RSMo, are repealed and two new sections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, with entitlement
2 to a pension under sections 86.900 to 86.1280, shall receive each month, in addition to such
3 member's base pension and cost-of-living adjustments thereto under section 86.1220, and in
4 addition to any other compensation or benefit to which such member may be entitled under
5 sections 86.900 to 86.1280, a supplemental retirement benefit of fifty dollars per month. The
6 amount of such supplemental retirement benefit may be adjusted by cost-of-living adjustments
7 determined by the retirement board not more frequently than annually. [Such determination shall
8 be based on advice of the plan's actuary that the increase in the benefit will not cause the present
9 value of anticipated future plan benefits, calculated on the actuarial assumptions used for the
10 most recent annual valuation, to exceed the sum of the trust fund assets plus the present value
11 of anticipated contributions to the trust fund.]

12 2. Any member who was retired on or before August 28, 1991, and is receiving
13 retirement benefits from the retirement system shall, upon application to the retirement board,
14 be retained as a consultant, and for such services such member shall receive each month, in

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.

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

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

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

50 not include any children of the member who would be entitled to receive part or all of the
51 pension which would be received by a surviving spouse if living.

52 **4. Any member who is receiving benefits from the retirement system and who either**
53 **was retired under the provisions of subsection 1 of section 86.1150, or who retired before**
54 **August 28, 2001, under the provisions of section 86.1180 or section 86.1200, shall, upon**
55 **application to the retirement board, be retained as a consultant. For such services such**
56 **member shall receive each month in addition to such member's base pension and cost-of-**
57 **living adjustments thereto under section 86.1220, and in addition to any other**
58 **compensation or benefit to which such member may be entitled under sections 86.900 to**
59 **86.1280, an equalizing supplemental compensation of ten dollars per month. This**
60 **appointment as a consultant shall in no way affect any member's eligibility for retirement**
61 **benefits under the provisions of sections 86.900 to 86.1280, or in any way have the effect**
62 **of reducing retirement benefits otherwise payable to such member. The amount of**
63 **equalizing supplemental compensation under this subsection may be adjusted by cost-of-**
64 **living adjustments, determined by the retirement board not more frequently than annually,**
65 **but in no event shall the aggregate of such equalizing supplemental compensation together**
66 **with all such cost-of-living adjustments thereto exceed twenty-five percent of the member's**
67 **base pension. Each cost-of-living adjustment to compensation under this subsection shall**
68 **be determined independently of any cost-of-living adjustment to any other benefit under**
69 **sections 86.900 to 86.1280. For the purposes of this subsection, the term "member" shall**
70 **include a surviving spouse entitled to benefits under the provisions of section 86.900 to**
71 **86.1280, and who is the surviving spouse of a member who qualified, or would have**
72 **qualified if living, for compensation under this subsection. Such surviving spouse shall,**
73 **upon application to the retirement board, be retained as a consultant, and for such services**
74 **shall be compensated in an amount equal to the compensation which would have been**
75 **received by the member under this subsection, if living. Any such surviving spouse of a**
76 **member who dies while entitled to payments under this subsection shall succeed to the full**
77 **amount of payment under this subsection to which such member was entitled at the time**
78 **of such member's death, including any cost-of-living adjustments received by such member**
79 **in the payment under this subsection prior to such member's death. In all events, the term**
80 **"member" shall not include any children of the member who would be entitled to receive**
81 **part or all of the pension that would be received by a surviving spouse, if living.**

82 **5. A surviving spouse who is entitled to benefits under the provisions of subsection**
83 **1 of section 86.1240 as a result of the death prior to August 28, 2007, of a member in**
84 **service, and who is receiving benefits from the retirement system, shall, upon application**
85 **to the retirement board, be retained as a special consultant, and for such services such**

86 surviving spouse shall receive each month an equalizing supplemental compensation of ten
87 dollars per month. A surviving spouse entitled to benefits under the provisions of
88 subsection 1 of section 86.1240 as a result of the death of a member in service on or after
89 August 28, 2008, shall receive each month an equalizing supplemental benefit of ten dollars
90 per month. All benefits payable to a surviving spouse under this subsection shall be in
91 addition to all other benefits to which such surviving spouse may be entitled under other
92 provisions of sections 86.900 to 86.1280 and shall in no way have the effect of reducing
93 benefits otherwise payable to such surviving spouse. The amount of equalizing
94 supplemental benefit or equalizing supplemental compensation under this subsection may
95 be adjusted by cost-of-living adjustments, determined by the retirement board not more
96 frequently than annually, but in no event shall the aggregate of such equalizing
97 supplemental benefit or compensation together with all such cost-of-living adjustments
98 thereto exceed twenty-five percent of the base pension of the surviving spouse. Each cost-
99 of-living adjustment to an equalizing supplemental benefit or compensation under this
100 subsection shall be determined independently of any cost-of-living adjustment to any other
101 benefit under sections 86.900 to 86.1280. In all events the term "surviving spouse" as used
102 in this subsection shall not include any children of the member who would be entitled to
103 receive part or all of the pension that would be received by a surviving spouse, if living.

104 6. In determining and granting the cost-of-living adjustments under this section,
105 the retirement board shall adopt such rules and regulations as may be necessary to
106 effectuate the purposes of this section, including provisions for the manner of computation
107 of such adjustments and the effective dates thereof. The retirement board shall provide
108 for such adjustments to be determined once each year and granted on a date or dates to be
109 chosen by the board. The retirement board shall not be required to prorate the initial
110 adjustment to any benefit or compensation under this section for any member.

111 [5.] 7. The determination of whether the retirement system will remain actuarially sound
112 shall be made at the time any cost-of-living adjustment under this section is granted. If at any
113 time the retirement system ceases to be actuarially sound, [supplemental retirement] **any** benefit
114 [payments under subsection 1 of this section and supplemental] compensation payments [as a
115 consultant under subsection 2 of] **provided under** this section shall continue as adjusted by
116 increases or decreases theretofore granted. A member of the retirement board shall have no
117 personal liability for granting increases under this section if that retirement board member in
118 good faith relied and acted upon advice of a qualified actuary that the retirement system would
119 remain actuarially sound.

86.1600. 1. Any member who retires subsequent to August 28, 1997, **and on or before**
2 **August 28, 2007**, with entitlement to a pension under sections 86.1310 to 86.1640, **and any**

3 **member who retires subsequent to August 28, 2007, with entitlement to a pension under**
4 **sections 86.1310 to 86.1640 and who either has at least fifteen years of creditable service**
5 **or is retired under subsection 1 of section 86.1560,** shall receive each month, in addition to
6 such member's base pension and cost-of-living adjustments thereto under section 86.1590, and
7 in addition to any other compensation or benefit to which such member may be entitled under
8 sections 86.1310 to 86.1640, a supplemental retirement benefit of fifty dollars per month. The
9 amount of such supplemental retirement benefit may be adjusted by cost-of-living adjustments
10 determined by the retirement board not more frequently than annually. [Such determination shall
11 be based on advice of the plan's actuary that the increase in the benefit will not cause the present
12 value of anticipated future plan benefits, calculated on the actuarial assumptions used for the
13 most recent annual valuation, to exceed the sum of the trust fund assets plus the present value
14 of anticipated contributions to the trust fund.]

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

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

37 4. For purposes of subsections 1 and 2 of this section, the term "member" shall include
38 a surviving spouse who is entitled to a benefit under sections 86.1310 to 86.1640, who shall be

39 deemed to have retired for purposes of this section on the date of retirement of the member of
40 whom such person is the surviving spouse or on the date of death of such member if such
41 member died prior to retirement; **provided, that no benefits shall be payable under this**
42 **section to the surviving spouse of any member who died while in active service after August**
43 **28, 2007, unless such death occurred in the line of duty or course of employment or as the**
44 **result of an injury or illness incurred in the line of duty or course of employment or unless**
45 **such member had at least fifteen years of creditable service. The surviving spouse of a**
46 **member who died in service after August 28, 2007, whose death occurred in the line of duty**
47 **or course of employment or as the result of an injury or illness incurred in the line of duty**
48 **or course of employment shall be entitled to benefits under subsection 1 of this section**
49 **without regard to such member's years of creditable service.** All benefits payable to a
50 surviving spouse under this section shall be in addition to all other benefits to which such
51 surviving spouse may be entitled under other provisions of sections 86.1310 to 86.1640. Any
52 [such] **qualifying** surviving spouse of a member who dies while entitled to payments under this
53 section shall succeed to the full amount of payment under this section to which such member was
54 entitled at the time of such member's death, including any cost-of-living adjustments received
55 by such member in the payment under this section prior to such member's death.

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

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