

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 83, Page 22, Section 67.2050, Line 73, by inserting immediately after said line the
3 following:
4

5 "86.900. The following words and phrases as used in sections 86.900 to 86.1280 shall have
6 the following meanings unless a different meaning is plainly required by the context:

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

11 (2) "Actuarial cost", the present value of a future payment or series of payments as
12 calculated by applying the actuarial assumptions established according to subsection 8 of section
13 86.1270;

14 (3) "Beneficiary", any person entitled, either currently or conditionally, to receive pension or
15 other benefits provided in sections 86.900 to 86.1280;

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

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

22 (6) "Compensation", the basic wage or salary paid a member for any period on the basis of
23 the member's rank and position, excluding bonuses, overtime pay, expense allowances, and other
24 extraordinary compensation; except that, notwithstanding such provision, compensation for any year
25 for any member shall not exceed the amount permitted to be taken into account under Section
26 401(a)(17) of the Internal Revenue Code as applicable to such year;

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

31 (8) "Creditable service", service qualifying as a determinant of a member's pension or other
32 benefit under sections 86.900 to 86.1280 by meeting the requirements specified in said sections or

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1 section 105.691;

2 (9) "Final compensation":

3 (a) For a Tier I member as described in subdivision (13) of this section, the average annual
 4 compensation of a member during the member's service if less than two years, or the twenty-four
 5 months of service for which the member received the highest salary whether consecutive or
 6 otherwise. In computing the average annual compensation of a member, [no compensation for
 7 service after the thirtieth full year of membership service shall be included.] compensation shall only
 8 be included for the periods in which the member made contributions as provided under section
 9 86.1010 except as provided in subsection 3 of section 86.110;

10 (b) For a Tier II member as described in subdivision (13) of this section, the average annual
 11 compensation of a member during the member's service if less than three years, or the thirty-six
 12 months of service for which the member received the highest salary whether consecutive or
 13 otherwise. In computing the average annual compensation of a member, compensation shall only be
 14 included for the periods in which the member made contributions as provided under section 86.1010
 15 except as provided in subsection 3 of section 86.110;

16 (c) For any period of time when a member is paid on a frequency other than monthly, the
 17 member's salary for such period shall be deemed to be the monthly equivalent of the member's
 18 annual rate of compensation for such period;

19 (10) "Fiscal year", for the retirement system, the fiscal year of the cities;

20 (11) "Internal Revenue Code", the United States Internal Revenue Code of 1986, as
 21 amended;

22 (12) "Medical board", not less than one nor more than three physicians appointed by the
 23 retirement board to arrange for and conduct medical examinations as directed by the retirement
 24 board;

25 (13) "Member", a member of the police retirement system as described in section 86.1090[;]
 26 ;

27 (a) "Tier I member", any person who became a member prior to August 28, 2013, and who
 28 remains a member on August 28, 2013, shall remain a Tier I member until such member's
 29 membership is terminated as described in section 86.1130;

30 (b) "Tier I surviving spouse", the surviving spouse of a Tier I member;

31 (c) "Tier II member", any person who became a member on or after August 28, 2013;

32 (d) "Tier II surviving spouse", the surviving spouse of a Tier II member;

33 (e) Any person whose membership is terminated as described in section 86.1130 and who
 34 re-enters membership on or after August 28, 2013, shall become a member under paragraph (c) of
 35 this subdivision;

36 (14) "Pension", annual payments for life, payable monthly, at the times described in section
 37 86.1030;

38 (15) "Pension fund", the fund resulting from contributions made thereto by the cities affected
 39 by sections 86.900 to 86.1280 and by the members of the police retirement system;

40 (16) "Police officer", an officer or member of the police department of the cities employed
 41 for compensation by the boards of police commissioners of the cities for police duty who holds a

rank or position for which an annual salary range is provided in section 84.480 or 84.510; in case of dispute as to whether any person is a police officer qualified for membership in the retirement system, the decision of the board of police commissioners shall be final;

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

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

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

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

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

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

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

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

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

(1) Such amounts as may be necessary to meet the requirements for the annual actuarial required contributions as determined by a qualified professional actuary selected by the retirement board;

(2) An amount of two-hundred dollars per month for every member entitled to receive a supplemental benefit under section 86.1230 or section 86.1231.

1 Such total of said amounts shall be certified by the retirement board to the chief financial officer of
2 said city as provided in section 86.990.

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

9 86.1010. Except as provided in subsection 5 of section 86.1100, the board of police
10 commissioners shall cause to be deducted from the compensation of each member [until retirement]
11 who is accruing creditable service a percentage of such member's compensation[, which shall not be
12 less than six percent,] as determined by the retirement board, as such member's contribution to the
13 pension fund. The sum so deducted shall be paid by the board of police commissioners promptly
14 after each payroll to the retirement board to be credited to the member's account. Every member
15 shall be deemed to consent to the deductions made and provided for herein. The board of police
16 commissioners shall certify to the retirement board on every payroll the amount deducted, and such
17 amounts shall be paid into the pension fund and shall be credited to the individual pension account of
18 the member from whose compensation such deduction was made.

19 86.1030. 1. All benefits and all necessary administrative expenses of the retirement system
20 shall be paid from the funds of the retirement system.

21 2. The base pension of a member who, after August 28, 2011, retires from or otherwise
22 terminates active service with entitlement to a base pension under sections 86.900 to 86.1280 shall
23 commence as of the first day of the month next following such retirement or termination with no
24 proration of such pension for the month in which such retirement or termination occurs. The
25 supplemental retirement benefits of a member who, after August 28, 2011, retires from or otherwise
26 terminates active service with entitlement to a supplemental retirement benefit provided in
27 subsection 1 of section 86.1230 or as provided in section 86.1231 shall commence as of the first day
28 of the month next following such retirement or termination with no proration of such supplemental
29 retirement benefit for the month in which such retirement or termination occurs.

30 3. Upon the death of a member who is receiving a base pension under sections 86.900 to
31 86.1280 leaving a surviving spouse, as defined in section 86.900, entitled to benefits, payment of the
32 member's base pension including all cost-of-living adjustments thereto, prorated for that portion of
33 the month of such death in which such member was living, shall be made to such surviving spouse,
34 and the benefit for which such spouse is entitled under section 86.1240 or subdivision (1) of
35 subsection 2 of section 86.1151 shall be prorated and paid to such spouse for the remainder of such
36 month.

37 4. Upon the death of a member who is receiving a base pension under sections 86.900 to
38 86.1280 leaving no surviving spouse, as defined in section 86.900, entitled to benefits, payment of
39 the member's base pension including all cost-of-living adjustments thereto, prorated for that portion
40 of the month of such death in which such member was living, shall be made in equal shares to or for
41 the benefit of the children, if any, of such member as are entitled to share in spousal benefits as

1 described in subsection 2 of section 86.1250. If no such children shall survive such member, such
2 prorated benefit for the month of such member's death shall be paid to the beneficiary named by such
3 member in a writing filed with the retirement system prior to the member's death for the purpose of
4 receiving such benefit. If no beneficiary is named, then no payment shall be made of such prorated
5 benefit for the month of such member's death.

6 5. Upon the death of a surviving spouse who is receiving a base pension under section
7 86.1240 or subdivision (1) of subsection 2 of section 86.1151, payment of such spouse's base pension
8 including all cost-of-living adjustments thereto, prorated for that portion of the month of such death
9 in which such spouse was living, shall be made in equal shares to or for the benefit of the children, if
10 any, of the member of whom such spouse is the surviving spouse as are entitled to share in spousal
11 benefits described in subsection 2 of section 86.1250. If no such children shall survive such spouse,
12 such prorated benefit for the month of such spouse's death shall be paid to the beneficiary named by
13 such surviving spouse in a writing filed with the retirement system prior to such spouse's death for
14 the purpose of receiving such benefit. If no beneficiary is named, then no payment shall be made of
15 such prorated benefit for the month of such spouse's death.

16 6. Upon the death of a Tier I member who is receiving a supplemental benefit under section
17 86.1230 or upon the death of a Tier II member who is receiving a supplemental benefit under section
18 86.1231 and who leaves a surviving spouse, as defined in section 86.900, entitled to benefits, the
19 entire supplemental benefit for the month of such death shall be paid to such surviving spouse
20 without proration, and the surviving spouse shall receive no additional supplemental benefit for such
21 month.

22 7. Upon the death of a Tier I member who is receiving a supplemental benefit under section
23 86.1230 or upon the death of a Tier II member who is receiving a supplemental benefit under section
24 86.1231 and who leaves no surviving spouse, as defined in section 86.900, entitled to benefits, or
25 upon the death of a surviving spouse who is receiving a supplemental benefit under section 86.1230
26 or section 86.1231, such supplemental benefit shall terminate upon such death. No benefit shall be
27 payable for any period after the most recent monthly payment of such benefit prior to such death.

28 8. Upon the death of a member in service who leaves a surviving spouse, as defined in
29 section 86.900, entitled to benefits, the base pension of such surviving spouse shall commence as of
30 the first day of the month next following such death with no proration of such pension for the month
31 in which such death occurs.

32 9. Upon the death of a member in service who leaves no surviving spouse, as defined in
33 section 86.900, entitled to benefits, any benefit payable to surviving children of such member under
34 subsection 2 of section 86.1250 shall commence as of the first day of the month next following such
35 death with no proration of such benefit for the month in which such death occurs. If there are no
36 such surviving children entitled to such benefit, then such member's accumulated contributions shall
37 be paid to the beneficiary named by such member in a writing filed with the retirement system prior
38 to the member's death for the purpose of receiving such benefit, or if no beneficiary is named, then to
39 such member's estate.

40 10. Upon the death of a member in service or after retirement, any benefit payable to the
41 surviving children of such member under subsection 1 of section 86.1250 shall commence as of the

1 first day of the month next following such death with no proration of such benefit for the month in
2 which such death occurs.

3 11. All payments of any benefit shall be paid on the last business day of each month for that
4 month. For any benefit under sections 86.900 to 86.1280, the retirement system shall withhold
5 payment of such benefit until all requisite documentation has been filed with the retirement system
6 evidencing the entitlement of payee to such payment.

7 12. If no benefits are otherwise payable to a surviving spouse or child of a deceased member
8 or otherwise as provided in this section, the member's accumulated contributions, to any extent not
9 fully paid to such member prior to the member's death or to the surviving spouse or child of such
10 member or otherwise as provided in this section, shall be paid in one lump sum to the member's
11 beneficiary named by such member in a writing filed with the retirement system prior to the
12 member's death for the purpose of receiving such benefit, or if no beneficiary is named, then to such
13 member's estate. Such payment shall constitute full and final payment of any and all claims for
14 benefits under the retirement system.

15 86.1100. 1. The retirement board shall fix and determine by proper rules and regulations
16 how much service in any year is equivalent to one year of service. In no case shall more than one
17 year of service be creditable for all service rendered in one calendar year. The retirement board shall
18 not allow credit as service for any period during which the member was absent without
19 compensation, except as provided in sections 86.1110 and 86.1140.

20 2. Except as provided in subsection 3 of section 86.1110 or subsection 2 of section 86.1140,
21 creditable service at retirement on which the retirement allowance of a member is based consists of
22 the membership service rendered by such member since such member last became a member
23 provided that no creditable service shall be allowed for any period of time when a member was not
24 making contributions.

25 3. Creditable service also includes any prior service credit to which a member may be
26 entitled by virtue of an authorized purchase of such credit or as otherwise provided in sections
27 86.900 to 86.1280.

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

31 5. Any member [who has completed thirty years of creditable service may continue in
32 service by permission of the board of police commissioners] in active service with the police
33 department on or after August 28, 2013, may accrue up to a maximum of thirty-two years of
34 creditable service. Contributions shall not be required of, and no service shall be credited to, any
35 member for more than [thirty] thirty-two years of service.

36 86.1110. 1. Whenever a member is given a leave of absence for military service and returns
37 to employment after discharge from the service, such member shall be entitled to creditable service
38 for the years of employment prior to the leave of absence.

39 2. Except as provided in subsection 3 of this section, a member who served on active duty in
40 the Armed Forces of the United States and who became a member, or returned to membership, after
41 discharge under honorable conditions, may elect prior to retirement to purchase creditable service

1 equivalent to such service in the Armed Forces, not to exceed two years, provided the member is not
2 receiving and is not eligible to receive retirement credits or benefits from any other public or private
3 retirement plan for the service to be purchased, other than a United States military service retirement
4 system or United States Social Security benefits attributable to such military service, and an affidavit
5 so stating is filed by the member with the retirement system. A member electing to make such
6 purchase shall pay to the retirement system an amount equal to the actuarial cost of the additional
7 benefits attributable to the additional service credit to be purchased, as of the date the member elects
8 to make such purchase. Payment in full of the amount due from a member electing to purchase
9 creditable service under this subsection shall be made over a period not to exceed five years,
10 measured from the date of election, or prior to the commencement date for payment of benefits to
11 the member from the retirement system, whichever is earlier, including interest on unpaid balances
12 compounded annually at the interest rate assumed from time to time for actuarial valuations of the
13 retirement system. If payment in full including interest is not made within the prescribed period, any
14 partial payments made by the member shall be refunded, and no creditable service attributable to
15 such election, or as a result of any such partial payments, shall be allowed; provided that if a benefit
16 commencement date occurs because of the death or disability of a member who has made an election
17 under this subsection and if the member is current in payments under an approved installment plan at
18 the time of the death or disability, such election shall be valid if the member, the surviving spouse, or
19 other person entitled to benefit payments pays the entire balance of the remaining amount due,
20 including interest to the date of such payment, within sixty days after the member's death or
21 disability. The time of a disability shall be deemed to be the time when such member is retired by
22 the board of police commissioners for reason of disability as provided in sections 86.900 to 86.1280.

23 3. Notwithstanding any other provision of sections 86.900 to 86.1280, a member who is on
24 leave of absence for military service during any portion of which leave the United States is in a state
25 of declared war, or a compulsory draft is in effect for any of the military branches of the United
26 States, or any units of the military reserves of the United States, including the National Guard, are
27 mobilized for combat military operations, and who becomes entitled to reemployment rights and
28 other employment benefits under Title 38, Chapter 43 of the U.S. Code, relating to employment and
29 reemployment rights of members of the uniformed services by meeting the requirements for such
30 rights and benefits under Section 4312 of said chapter, or the corresponding provisions of any
31 subsequent applicable federal statute, shall be entitled to service credit for the time spent in such
32 military service for all purposes of sections 86.900 to 86.1280 and such member shall not be required
33 to pay any member contributions for such time. If it becomes necessary for the years of such service
34 to be included in the calculation of such member's compensation for any purpose, such member shall
35 be deemed to have received the same compensation throughout such period of service as the
36 member's base annual salary immediately prior to the commencement of such leave of absence;
37 provided, however, that the foregoing provisions of this subsection shall apply only to such portion
38 of such leave with respect to which the cumulative length of the absence and of all previous absences
39 from a position of employment with the employer by reason of service in the uniformed services
40 does not exceed five years except for such period of any such excess as meets the requirements for
41 exceptions to such five-year limitation set forth in the aforesaid Section 4312.

1 86.1150. 1. Any Tier I member may retire when such member has completed twenty-five or
 2 more years of creditable service [and, except as otherwise provided in section 86.1100, shall retire
 3 when such member has completed thirty years of creditable service]. Upon such retirement such
 4 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 final
 6 compensation, as defined in section 86.900, multiplied by the number of years of such member's
 7 total creditable service; or

8 (2) For a member retiring on or after August 28, 2000, and prior to August 28, 2013, two
 9 and one-half percent of such member's final compensation, as defined in section 86.900, multiplied
 10 by the number of years of such member's total creditable service. Such pension shall not exceed
 11 seventy-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 except
 13 that on recommendation of the chief of police, the board of police commissioners may permit such
 14 member who is sixty years of age or over to remain in service until such member reaches the age of
 15 sixty-five years. Such member shall continue to make contributions and receive credit for service
 16 until reaching sixty-five years of age, until retirement, or until completion of thirty years of
 17 creditable service, whichever occurs first. If such member shall reach sixty-five years of age or shall
 18 retire prior to completion of twenty-five years of service, the base pension of such member shall be
 19 calculated under subsection 3 of this section.

20 3. Except as provided in section 86.1100 or in subsection 2 of this section,] ; or

21 (3) For a member retiring on or after August 28, 2013, two and one-half percent of such
 22 member's final compensation, as defined in section 86.900, multiplied by the number of years of
 23 such member's total creditable service. Such pension shall not exceed eighty percent of the
 24 member's final compensation.

25 2. Any Tier I member in service who shall have attained sixty years of age and at that time
 26 shall have completed at least ten [but less than thirty] years of creditable service [shall] may retire
 27 and upon such retirement shall receive a base pension equal to:

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

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

34 [4.] 3. Subject to the provisions of subsection [5] 4 of this section, whenever the service of a
 35 Tier I member is terminated for any reason prior to death or retirement and the member has fifteen or
 36 more years of creditable service, the member may elect not to withdraw such member's accumulated
 37 contributions and shall become entitled to a base pension commencing on the first day of the month
 38 following the attainment of the age of fifty-five, if then living, equal to:

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

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

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

86.1151. 1. Any Tier II member may retire when such member has completed twenty-seven or more years of creditable service. Upon such retirement such member shall receive a base pension equal to two and one-half percent of such member's final compensation, as defined in section 86.900, multiplied by the number of years of such member's total creditable service. Such pension shall not exceed eighty percent of the member's final compensation.

2. (1) A Tier II member who is married at the time of retirement may by a written election, with the written consent of such member's spouse, elect an optional benefit calculated as follows: such optional benefit shall be a monthly pension in the initial amount which shall be actuarially equivalent to the actuarial value of the pension described in subsection 1 of this section for such member at the date of retirement (including the value of survivorship rights of a surviving spouse, where applicable, under section 86.1240), upon the basis that the initial annuity for the member's spouse, if such spouse survives the member, shall be:

(a) The same as the amount being paid the member at the member's death, and, together with cost-of-living adjustments thereafter declared on the spouse's base pension under section 86.1220, shall be paid to such surviving spouse for the lifetime of such spouse; or

(b) Seventy-five percent of the amount being paid the member at the member's death, and, together with cost-of-living adjustments thereafter declared on the spouse's base pension under section 86.1220, shall be paid to such surviving spouse for the lifetime of such spouse.

(2) If a member who elects the optional benefit permitted by this subsection also makes an election permitted under section 86.1210, such optional benefit shall be reduced as provided in subdivision (3) of subsection 2 of section 86.1210.

(3) If a member makes the election permitted by this subsection, the amount calculated for such optional benefit under either subdivision (1) or (2) of this subsection shall become the base pension for such member and for such member's spouse for all purposes of sections 86.900 to 86.1280.

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

3. Subject to the provisions of subsection 4 of this section, whenever the service of a Tier II member is terminated for any reason prior to death or retirement and the member has fifteen or more years of creditable service, the member may elect not to withdraw such member's accumulated contributions and shall become entitled to a base pension commencing on the first day of the month following the attainment of the age of sixty, if then living, equal to two and one-half percent of such member's final compensation multiplied by the number of years of such member's creditable service.

4. Notwithstanding any other provisions of sections 86.900 to 86.1280, any member who is

1 convicted of a felony prior to separation from active service shall not be entitled to any benefit from
 2 this retirement system except the return of such member's accumulated contributions.

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

13 2. (1) Upon such retirement on or after August 28, 2001, and prior to August 28, 2013, a
 14 member shall receive a base pension equal to seventy-five percent of his or her final compensation
 15 for so long as the permanent disability shall continue, during which time such member shall for
 16 purposes of this section be referred to as a disability beneficiary. Such pension may be subject to
 17 offset or reduction under section 86.1190 by amounts paid or payable under any workers'
 18 compensation law;

19 (2) Upon such retirement on or after August 28, 2013, a member shall receive a base pension
 20 equal to eighty percent of his or her final compensation for so long as the permanent disability shall
 21 continue, during which time such member shall for purposes of this section be referred to as a
 22 disability beneficiary. Such pension may be subject to offset or reduction under section 86.1190 by
 23 amounts paid or payable under any workers' compensation law.

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

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

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

40 6. If upon cessation of a disability pension under subsection 4 of this section, the former
 41 disability beneficiary is not restored to active service, such member shall be entitled to the retirement

benefit to which such member would have been entitled if such member had terminated service at the time of such cessation of the disability pension. For the purpose of such retirement benefits, such former disability beneficiary will be credited with all his or her creditable service, including any years in which such member received a disability pension under this section.

86.1210. 1. Any member in active service entitled to commence a pension under subsection 1 of section 86.1150 [with twenty-six years or more of creditable service] or subsection 1 of section 86.1151 may elect an optional distribution under the partial lump sum option plan provided in this section if the member:

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

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

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

2. (1) A member entitled to make an election under this section may elect to receive a lump sum distribution with the member's initial monthly pension payment under subsection 1 of section 86.1150 or subsection 1 of section 86.1151, subject to all the terms of this section. The member may elect the amount of the member's lump sum distribution from one, but not more than one, of the following options for which the member qualifies:

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

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

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

For purposes of this section, "eligible retirement date" for a member shall mean the earliest date on which the member could elect to retire and be entitled to receive a pension under subsection 1 of section 86.1150 or subsection 1 of section 86.1151.

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

base pension amounts under sections 86.900 to 86.1280, unless the member has also elected an optional benefit permitted under subdivision (1) of subsection 2 of section 86.1151;

(3) If a member electing a lump sum distribution under this section has elected the optional benefit permitted under subdivision (1) of subsection 2 of section 86.1151, the calculation of the member's pension shall be made in the following order:

(a) The amount of the member's normal pension under subsection 1 of section 86.1151 shall be reduced to the actuarially equivalent amount to produce the optional form of benefit described in subdivision (1) of subsection 2 of section 86.1151, and

(b) The amount of reduced pension as determined under paragraph (a) of this subdivision shall be further reduced as required to produce an actuarially equivalent benefit in the form of the lump sum distribution option elected under this section which will include the lump sum benefit and the optional benefit elected under subdivision (1) of subsection 2 of section 86.1151, and, subject to cost-of-living adjustments thereafter declared on the spouse's base pension under section 86.1220, shall be paid to such surviving spouse for the lifetime of such spouse.

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

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

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

(2) Every Tier I surviving spouse who is receiving a base pension from the retirement system[; and

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

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

(1) Every Tier II member who retired with at least thirty-two years of creditable service shall be eligible in the year following retirement; and

(2) Every Tier II member who retired under subsection 1 of section 86.1151 with less than thirty-two years of creditable service shall be eligible in the year following the year in which they would have attained thirty-two years of creditable service had such member remained in active service; and

(3) Every Tier II member who retired under section] shall be eligible in the year following retirement; and

(4) Every Tier II member who retired under section 86.1200 shall be eligible in the earlier of

1 the year following the fifth year after retirement or the year following the year in which they would
 2 have attained thirty-two years of creditable service had such member remained in active service; and

3 (5) Every Tier II member who retired under subsection 3 of section 86.1151 shall be eligible
 4 in the year following the fifth year after retirement; and

5 (6) (a) Every Tier II surviving spouse of a member who, at the member's death, was
 6 receiving benefits including cost-of-living adjustments shall be eligible in the year following the
 7 most recent year when the decedent received a cost-of-living adjustment; and

8 (b) Every Tier II surviving spouse of a member who, at the member's death, was receiving
 9 benefits but who was not yet eligible for cost-of-living adjustments shall be eligible in the year when
 10 the decedent member would have become eligible had such decedent survived; and

11 (c) Every Tier II surviving spouse entitled to the benefit provided in subsection 1 of section
 12 86.1260 shall be eligible in the year following the year of the member's death; and

13 (d) Every Tier II surviving spouse of a member who died with less than twenty-seven years
 14 of creditable service, entitled to benefits provided in subsection 1 of section 86.1240, and who is not
 15 eligible for the benefit provided in subsection 1 of section 86.1260, shall be eligible in the year
 16 following the fifth year after the member's death; and

17 (e) Every Tier II surviving spouse of a member who died with twenty-seven or more years of
 18 creditable service, entitled to benefits provided in subsection 1 of section 86.1240, and who is not
 19 eligible for the benefit provided in subsection 1 of section 86.1260, shall be eligible the later of the
 20 year following the year of the member's death or the year following the year in which the member
 21 would have attained thirty-two years of creditable service had such member remained in active
 22 service.

23 3. Provided that the retirement system shall remain actuarially sound, every child who, under
 24 subsection 2 of section 86.1250, is receiving the benefit, or a portion thereof, which would be
 25 payable to a surviving spouse of the member who was such child's parent, may receive each year
 26 such cost-of-living adjustment on such benefit as would have been payable on such benefit, or
 27 portion thereof, to such surviving spouse if living.

28 4. Upon the death of a Tier I member who has been retired and receiving a pension and who
 29 dies after September 28, 1987, the surviving spouse of such member entitled to receive a base
 30 pension under section 86.1240 or children of such member entitled to receive a base pension under
 31 subsection 2 of section 86.1250 shall receive an immediate percentage cost-of-living adjustment to
 32 their respective base pension equal to the total percentage cost-of-living adjustments received during
 33 such member's lifetime under this section, except that the adjustment provided by this subsection
 34 shall not be made to a base pension calculated under either subdivision (1) or paragraph (b) of
 35 subdivision (2) of subsection 2 of section 86.1240, either for a surviving spouse or for a child or
 36 children entitled to a base pension measured by the pension to which a qualified surviving spouse
 37 would be entitled, wherein such base pension is determined by a percentage of the amount being
 38 received by the deceased member at death.

39 5. Upon the death of a Tier II member who has been retired and receiving a pension, the
 40 surviving spouse of such member entitled to receive a base pension under section 86.1240 or
 41 children of such member entitled to receive a base pension under subsection 2 of section 86.1250

1 shall receive an immediate percentage cost-of-living adjustment to their respective base pension
 2 equal to the total percentage cost-of-living adjustments received during such member's lifetime under
 3 this section, except that the adjustment provided by this subsection shall not apply for any surviving
 4 spouse, or for a child or children entitled to benefits which would be received by a qualified
 5 surviving spouse, receiving a benefit pursuant to an election made under subdivision (1) of
 6 subsection 2 of section 86.1151.

7 [3.] 6. For purposes of this section, the term "base pension" shall mean:

8 (1) For a member, the pension computed under the provisions of the law as of the date of
 9 retirement without regard to cost-of-living adjustments, as adjusted, if applicable, for any election
 10 made under subdivision (1) of subsection 2 of section 86.1151 or section 86.1210, but in all events
 11 not including any supplemental benefit under section 86.1230 or section 86.1231;

12 (2) For a surviving spouse, the base pension calculated for such spouse in accordance with
 13 the provisions of section 86.1240 or subdivision (3) of subsection 2 of section 86.1151, including
 14 any compensation as a consultant to which such surviving spouse is entitled under said section in lieu
 15 of a pension thereunder, but not including any supplemental benefit under section 86.1230 or section
 16 86.1231; and

17 (3) For a member's surviving child who is entitled to receive part or all of the pension which
 18 would be received by the surviving spouse, if living, the base pension calculated for such surviving
 19 spouse in accordance with the provisions of section 86.1240 or subdivision (3) of subsection 2 of
 20 section 86.1151, including any compensation as a consultant to which such spouse would be entitled
 21 under said section, if living, divided by the number of surviving children entitled to share in such
 22 pension under subsection 2 of section 86.1250.

23 [4.] 7. The cost-of-living adjustment shall be an increase or decrease computed on the base
 24 pension amount by the retirement board in an amount that the board, in its discretion, determines to
 25 be satisfactory, but in no event shall the adjustment be more than three percent or reduce the pension
 26 to an amount less than the base pension. In determining and granting the cost-of-living adjustments,
 27 the retirement board shall adopt such rules and regulations as may be necessary to effectuate the
 28 purposes of this section, including provisions for the manner of computation of such adjustments and
 29 the effective dates thereof. The retirement board shall provide for such adjustments to be determined
 30 once each year and granted on a date or dates to be chosen by the board, and may apply such
 31 adjustments in full to eligible members as provided in subsections 1 and 2 of this section who have
 32 retired during the year prior to such adjustments but who have not been retired for one full year and
 33 to the surviving spouse or applicable children of a member who has died during the year prior to
 34 such adjustments.

35 [5.] 8. The determination of whether the retirement system will remain actuarially sound
 36 shall be made at the time any cost-of-living adjustment is granted. If at any time the retirement
 37 system ceases to be actuarially sound, pension payments shall continue as adjusted by increases
 38 theretofore granted. A member of the retirement board shall have no personal liability for granting
 39 increases under this section if that retirement board member in good faith relied and acted upon
 40 advice of a qualified actuary that the retirement system would remain actuarially sound.

41 [6.] 9. If any benefit under subsection 1 of section 86.1250 on August 27, 2005, would be

1 reduced by application of this section, such benefit shall continue thereafter without reduction, but
2 any benefit so continued shall terminate at the time prescribed in subsection 1 of section 86.1250.

3 86.1230. 1. Any Tier I member who retires subsequent to August 28, 1991, with entitlement
4 to a pension under sections 86.900 to 86.1280, shall receive, in addition to such member's base
5 pension and cost-of-living adjustments thereto under section 86.1220, and in addition to any other
6 compensation or benefit to which such member may be entitled under sections 86.900 to 86.1280, a
7 supplemental retirement benefit of fifty dollars per month. The amount of such supplemental
8 retirement benefit may be adjusted by cost-of-living adjustments determined by the retirement board
9 not more frequently than annually.

10 2. Any Tier I member who was retired on or before August 28, 1991, and is receiving
11 retirement benefits from the retirement system shall, upon application to the retirement board, be
12 retained as a consultant, and for such services such member shall receive, in addition to such
13 member's base pension and cost-of-living adjustments thereto under section 86.1220, and in addition
14 to any other compensation or benefit to which such member may be entitled under sections 86.900 to
15 86.1280, a supplemental compensation in the amount of fifty dollars per month. This appointment
16 as a consultant shall in no way affect any member's eligibility for retirement benefits under the
17 provisions of sections 86.900 to 86.1280, or in any way have the effect of reducing retirement
18 benefits otherwise payable to such member. The amount of such supplemental compensation under
19 this subsection may be adjusted by cost-of-living adjustments determined by the retirement board not
20 more frequently than annually.

21 3. For purposes of subsections 1 and 2 of this section, the term "member" shall include a
22 surviving spouse entitled to a benefit under sections 86.900 to 86.1280 who shall be deemed to have
23 retired for purposes of this section on the date of retirement of the member of whom such person is
24 the surviving spouse or on the date of death of such member if such member died prior to retirement;
25 provided, that if the surviving spouse of any member who retired prior to August 28, 2000, shall not
26 have remarried prior to August 28, 2000, but remarries thereafter, such surviving spouse shall
27 thereafter receive benefits under subsection 2 of this section, and provided further, that no benefits
28 shall be payable under this section to the surviving spouse of any member who retired prior to
29 August 28, 2000, if such surviving spouse was at any time remarried after the member's death and
30 prior to August 28, 2000. All benefits payable to a surviving spouse under this section shall be in
31 addition to all other benefits to which such surviving spouse may be entitled under other provisions
32 of sections 86.900 to 86.1280. Any such surviving spouse of a member who dies while entitled to
33 payments under this section shall succeed to the full amount of payment under this section to which
34 such member was entitled at the time of such member's death, including any cost-of-living
35 adjustments received by such member in the payment under this section prior to such member's
36 death. In all events, the term "member" shall not include any children of the member who would be
37 entitled to receive part or all of the pension which would be received by a surviving spouse if living.

38 4. Any member who is receiving benefits from the retirement system and who either was
39 retired under the provisions of subdivision (1) of subsection 1 of section 86.1150, or who retired
40 before August 28, 2001, under the provisions of section 86.1180 or section 86.1200, shall, upon
41 application to the retirement board, be retained as a consultant. For such services such member shall

1 receive each month in addition to such member's base pension and cost-of-living adjustments thereto
2 under section 86.1220, and in addition to any other compensation or benefit to which such member
3 may be entitled under sections 86.900 to 86.1280, an equalizing supplemental compensation of ten
4 dollars per month. This appointment as a consultant shall in no way affect any member's eligibility
5 for retirement benefits under the provisions of sections 86.900 to 86.1280, or in any way have the
6 effect of reducing retirement benefits otherwise payable to such member. The amount of equalizing
7 supplemental compensation under this subsection may be adjusted by cost-of-living adjustments,
8 determined by the retirement board not more frequently than annually, but in no event shall the
9 aggregate of such equalizing supplemental compensation together with all such cost-of-living
10 adjustments thereto exceed twenty-five percent of the member's base pension. Each cost-of-living
11 adjustment to compensation under this subsection shall be determined independently of any
12 cost-of-living adjustment to any other benefit under sections 86.900 to 86.1280. For the purposes of
13 this subsection, the term "member" shall include a surviving spouse entitled to benefits under the
14 provisions of sections 86.900 to 86.1280, and who is the surviving spouse of a member who
15 qualified, or would have qualified if living, for compensation under this subsection. Such surviving
16 spouse shall, upon application to the retirement board, be retained as a consultant, and for such
17 services shall be compensated in an amount equal to the compensation which would have been
18 received by the member under this subsection, if living. Any such surviving spouse of a member
19 who dies while entitled to payments under this subsection shall succeed to the full amount of
20 payment under this subsection to which such member was entitled at the time of such member's
21 death, including any cost-of-living adjustments received by such member in the payment under this
22 subsection prior to such member's death. In all events, the term "member" shall not include any
23 children of the member who would be entitled to receive part or all of the pension that would be
24 received by a surviving spouse, if living.

25 5. A surviving spouse who is entitled to benefits under the provisions of subsection 1 of
26 section 86.1240 as a result of the death prior to August 28, 2007, of a member in service, and who is
27 receiving benefits from the retirement system, shall, upon application to the retirement board, be
28 retained as a consultant, and for such services such surviving spouse shall receive each month an
29 equalizing supplemental compensation of ten dollars per month. A surviving spouse entitled to
30 benefits under the provisions of subsection 1 of section 86.1240 as a result of the death of a member
31 in service on or after August 28, 2007, shall receive each month an equalizing supplemental benefit
32 of ten dollars per month. All benefits payable to a surviving spouse under this subsection shall be in
33 addition to all other benefits to which such surviving spouse may be entitled under other provisions
34 of sections 86.900 to 86.1280 and shall in no way have the effect of reducing benefits otherwise
35 payable to such surviving spouse. The amount of equalizing supplemental benefit or equalizing
36 supplemental compensation under this subsection may be adjusted by cost-of-living adjustments,
37 determined by the retirement board not more frequently than annually, but in no event shall the
38 aggregate of such equalizing supplemental benefit or compensation together with all such
39 cost-of-living adjustments thereto exceed twenty-five percent of the base pension of the surviving
40 spouse. Each cost-of-living adjustment to an equalizing supplemental benefit or compensation under
41 this subsection shall be determined independently of any cost-of-living adjustment to any other

benefit under sections 86.900 to 86.1280. In all events the term "surviving spouse" as used in this subsection shall not include any children of the member who would be entitled to receive part or all of the pension that would be received by a surviving spouse, if living.

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

7. The determination of whether the retirement system will remain actuarially sound shall be made at the time any cost-of-living adjustment under this section is granted. If at any time the retirement system ceases to be actuarially sound, any benefit or compensation payments provided under this section shall continue as adjusted by increases or decreases theretofore granted. A member of the retirement board shall have no personal liability for granting increases under this section if that retirement board member in good faith relied and acted upon advice of a qualified actuary that the retirement system would remain actuarially sound.

86.1231. Any Tier II member who retires with entitlement to a pension under sections 86.900 to 86.1280, shall receive, in addition to such member's base pension and cost-of-living adjustments thereto under section 86.1220, and in addition to any other compensation or benefit to which such member may be entitled under sections 86.900 to 86.1280, a supplemental retirement benefit of two hundred dollars per month. For purposes of this section, the term "member" shall include a surviving spouse entitled to a benefit under sections 86.900 to 86.1280 as a Tier II surviving spouse. All benefits payable to a surviving spouse under this section shall be in addition to all other benefits to which such surviving spouse may be entitled under other provisions of sections 86.900 to 86.1280. Any such surviving spouse of a member who dies while entitled to payments under this section shall succeed to the full amount of payment under this section to which such member was entitled at the time of such member's death. In all events, the term "member" shall not include any children of the member who would be entitled to receive part or all of the pension which would be received by a surviving spouse, if living.

86.1240. 1. Upon receipt of the proper proofs of death of a member in service for any reason whatsoever, there shall be paid to such member's surviving spouse, if any, in addition to all other benefits but subject to subsection 6 of this section, a base pension equal to forty percent of the final compensation of such member, subject to adjustments, if any, as provided in section 86.1220.

2. (1) Upon receipt of the proper proofs of death of a Tier I member who was retired or terminated service after August 28, 1999, and died after having become entitled to benefits from this retirement system, there shall be paid to such member's surviving spouse, if any, in addition to all other benefits but subject to subsection 6 of this section, a base pension equal to eighty percent of the pension being received by such member, including cost-of-living adjustments to such pension but excluding supplemental retirement benefits, at the time of such member's death, subject to subsequent adjustments, if any, as provided in section 86.1220. The pension provided by this

1 subdivision shall terminate upon remarriage by the surviving spouse prior to August 28, 2000.

2 (2) (a) Upon receipt of the proper proof of death of a Tier I member who retired or
3 terminated service on or before August 28, 1999, and who died after August 28, 1999, and after
4 having become entitled to benefits from this retirement system, such member's surviving spouse, if
5 any, shall be entitled to a base pension equal to forty percent of the final compensation of such
6 member.

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

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

13 (3) Upon receipt of the proper proof of death of a Tier II member after retirement who has
14 not elected the optional annuity permitted under subdivision (1) of subsection 2 of section 86.1151,
15 such member's surviving spouse, shall be entitled to a base pension payable for life equaling fifty
16 percent of the member's base pension.

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

23 4. Upon the death of any member who is in service after August 28, 2000, and who either
24 had at least twenty-five years of creditable service or was retired or died as a result of an injury or
25 illness occurring in the line of duty or course of employment under section 86.1180, the surviving
26 spouse's benefit provided under this section, without including any supplemental retirement benefits
27 paid such surviving spouse by this retirement system, shall be six hundred dollars per month. For
28 any member who died, retired or terminated service on or before August 28, 2000, and who either
29 had at least twenty-five years of creditable service or was retired or died as a result of an injury or
30 illness occurring in the line of duty or course of employment under section 86.1180, the surviving
31 spouse shall upon application to the retirement board be appointed by the retirement board as a
32 consultant. For services as such consultant, the surviving spouse shall, beginning the later of August
33 28, 2000, or the time the appointment is made under this subsection, be compensated in an amount
34 which without including supplemental retirement benefits provided by this system shall be six
35 hundred dollars monthly. A pension benefit under this subsection shall be paid in lieu of any base
36 pension as increased by cost-of-living adjustments granted under section 86.1220. The benefit under
37 this subsection shall not be subject to cost-of-living adjustments, but shall be terminated and replaced
38 by the base pension and cost-of-living adjustments to which such spouse would otherwise be entitled
39 at such time as the total base pension and such adjustments exceed six hundred dollars monthly.

40 5. A surviving spouse who is entitled to benefits under the provisions of subsection 1 of this
41 section as a result of the death on or before August 28, 2009, of a member in service who is receiving

benefits under sections 86.900 to 86.1280 and who does not qualify under the provisions of subsection 4 of this section shall, upon application to the retirement board, be appointed as a consultant, and for such services such surviving spouse shall be compensated in an amount which, without including any supplemental retirement benefits provided by sections 86.900 to 86.1280, shall be six hundred dollars monthly. A pension benefit under this subsection shall be paid in lieu of any base pension as increased by cost-of-living adjustments granted under section 86.1220. The benefit under this subsection shall not be subject to cost-of-living adjustments, but shall be terminated and replaced by the base pension and cost-of-living adjustments to which such surviving spouse would otherwise be entitled at such time as the total base pension and such adjustments exceed six hundred dollars monthly. As used in this subsection, "surviving spouse" shall not include any children of the member who would be entitled to receive part or all of the pension that would be received by a surviving spouse, if living.

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

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

(2) Any child eighteen years of age or older, who is physically or mentally incapacitated from wage earning, so long as such incapacity exists as certified by a member of the medical board, shall be entitled to the same benefits as a child under the age of eighteen. For purposes of this section, a determination of whether a child of a member is physically or mentally incapacitated from wage earning so that the child is entitled to benefits under this section shall be made at the time of the member's death. If a child becomes incapacitated after the member's death, or if a child's incapacity existing at the member's death is removed and such child later becomes incapacitated again, such child shall not be entitled to benefits as an incapacitated child under the provisions of this section. A child shall be deemed incapacitated only for so long as the incapacity existing at the time of the member's death continues.

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

2. Upon or after the death of a member in service or after retirement with entitlement to benefits, if there is no surviving spouse or if a surviving spouse dies, the total amount, including any

amounts receivable as consulting compensation, but not including any supplemental benefits under section 86.1230 for a Tier I member or section 86.1231 for a Tier II member, which would be received by a qualified surviving spouse or which is being received by the surviving spouse at the date of death of such surviving spouse shall be added to the amounts received by and shall be divided among the children of such member under the age of eighteen years and the incapacitated children in equal shares. As each such child attains the age of eighteen years or has such incapacity removed, such total amount shall then be divided among the remaining such children, until there is no remaining child of such member under the age of eighteen years or incapacitated, at which time all benefits for children of such member under this subsection shall cease.

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

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

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

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

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

(1) Completion of twenty-five years of service for Tier I members and twenty-seven years of service for Tier II members;

(2) Age sixty [if the] for any Tier I member who has completed at least ten years of creditable service or age sixty for any Tier II member who has completed at least fifteen years of creditable service;

(3) Age seventy without regard to years of service; or

(4) To the extent funded, upon the termination of the system established under sections 86.900 to 86.1280 or any partial termination which affects the members or any complete discontinuance of contributions by the city to the system.

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

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

1 6. A member or beneficiary of a member shall not accrue a service retirement annuity,
2 disability retirement annuity, death benefit, whether death occurs in the line of duty or otherwise, or
3 any other benefit under sections 86.900 to 86.1280 in excess of the benefit limits applicable to the
4 fund under Section 415 of the Internal Revenue Code. The retirement board shall reduce the amount
5 of any benefit that exceeds those limits by the amount of the excess. If the total benefits under the
6 retirement system and the benefits and contributions to which any member is entitled under any
7 other qualified plan or plans maintained by the board of police commissioners that employs the
8 member would otherwise exceed the applicable limits under Section 415 of the Internal Revenue
9 Code, the benefits the member would otherwise receive from the retirement system shall be reduced
10 to the extent necessary to enable the benefits to comply with Section 415 of the Internal Revenue
11 Code.

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

17 8. If the amount of any benefit is to be determined on the basis of actuarial assumptions that
18 are not otherwise specifically set forth for that purpose in sections 86.900 to 86.1280, the actuarial
19 assumptions to be used are those earnings and mortality assumptions being used on the date of the
20 determination by the retirement system's actuary and approved by the retirement board. The
21 actuarial assumptions being used at any particular time shall be attached as an addendum to a copy of
22 the retirement system's statute that is maintained by the retirement board and shall be treated for all
23 purposes as a part of sections 86.900 to 86.1280. The actuarial assumptions may be changed by the
24 retirement system's actuary annually if approved by the retirement board, but a change in actuarial
25 assumptions shall not result in any decrease in benefits accrued as of the effective date of the change.

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

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

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

40 (2) For purposes of subsection 9 of this section, a portion of a distribution shall not fail to be
41 an eligible rollover distribution merely because the portion consists of after-tax employee

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

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

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

(2) "Actuarial cost", the present value of a future payment or series of payments as calculated by applying the actuarial assumptions established according to subsection 8 of section 86.1630;

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

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

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

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

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

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

(9) "Employee", any regularly appointed civilian employee of the police department of the city as specified in sections 86.1310 to 86.1640 who is:

(a) Appointed prior to August 28, 2011, and is not eligible to receive a pension from the police retirement system of said city;

(b) Appointed on or after August 28, 2011, and is not eligible to receive a pension from the

1 police retirement system of such city or from any other retirement or pension system of such city;

2 (10) "Final compensation"[,] :

3 (a) For a Tier I member as described in subdivision (13) of this section, the average annual
 4 compensation of a member during the member's service if less than two years, or the twenty-four
 5 months of service for which the member received the highest salary whether consecutive or
 6 otherwise[.] :

7 (b) For a Tier II member as described in subdivision (13) of this section, the average annual
 8 compensation of a member during the member's service if less than three years, or the thirty-six
 9 months of service for which the member received the highest salary whether consecutive or
 10 otherwise;

11 (c) For any period of time when a member is paid on a frequency other than monthly, the
 12 member's salary for such period shall be deemed to be the monthly equivalent of the member's
 13 annual rate of compensation for such period;

14 (11) "Internal Revenue Code", the United States Internal Revenue Code of 1986, as
 15 amended;

16 (12) "Medical board", not less than one nor more than three physicians appointed by the
 17 retirement board to arrange for and conduct medical examinations as directed by the retirement
 18 board;

19 (13) "Member", a member of the civilian employees' retirement system as described in
 20 section 86.1480[.] :

21 (a) "Tier I member", any person who became a member prior to August 28, 2013, and who
 22 remains a member on August 28, 2013, shall remain a Tier I member until such member's
 23 membership is terminated as described in section 86.1520;

24 (b) "Tier I surviving spouse", the surviving spouse of a Tier I member;

25 (c) "Tier II member", any person who became a member on or after August 28, 2013;

26 (d) "Tier II surviving spouse", the surviving spouse of a Tier II member;

27 (e) Any person whose membership is terminated as described in section 86.1520 and who
 28 re-enters membership on or after August 28, 2013, shall become a member under paragraph (c) of
 29 this subdivision;

30 (14) "Pension", annual payments for life, payable monthly, at the times described in section
 31 86.1420;

32 (15) "Pension fund", the fund resulting from contributions made thereto by the cities affected
 33 by sections 86.1310 to 86.1640 and by the members of the civilian employees' retirement system;

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

37 (17) "Retirement board" or "board", the board provided in section 86.1330 to administer the
 38 retirement system;

39 (18) "Retirement system", the civilian employees' retirement system of the police department
 40 of the cities as defined in section 86.1320;

41 (19) "Surviving spouse", when determining whether a person is entitled to benefits under

1 sections 86.1310 to 86.1640 by reason of surviving a member, shall include only:

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

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

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

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

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

14 86.1380. The retirement board shall before [January tenth] October fifteenth of each year
15 certify to the chief financial officer of such city the amount to be paid by the city to the retirement
16 pension system for the succeeding fiscal year, as otherwise provided by sections 86.1310 to 86.1640.

17 86.1420. 1. All benefits and all necessary administrative expenses of the retirement system
18 shall be paid from the funds of the retirement system.

19 2. The base pension of a member who, after August 28, 2011, retires from or otherwise
20 terminates active service with entitlement to a base pension under sections 86.1310 to 86.1640 shall
21 commence as of the first day of the month next following such retirement or termination with no
22 proration of such pension for the month in which such retirement or termination occurs. The
23 supplemental retirement benefit of a member who, after August 28, 2011, retires from or otherwise
24 terminates active service with entitlement to a supplemental retirement benefit provided in
25 subsection 1 of section 86.1600 shall commence as of the first day of the month next following such
26 retirement or termination with no proration of such supplemental retirement benefit for the month in
27 which such retirement or termination occurs.

28 3. Upon the death of a member in service who leaves a surviving spouse, as defined in
29 section 86.1310, entitled to benefits, any base pension which such surviving spouse shall elect under
30 subdivision (2) of subsection 1 of section 86.1610 or under paragraph (b) of subdivision (3) of
31 subsection 1 of section 86.1610 shall commence the later of the first day of the month next following
32 such death or the first day of the month following the date which would have been the member's
33 earliest possible retirement date permitted under [subsection] subsections 2 or 3 of section 86.1540
34 with no proration of such pension for the month prior to such commencement date. Any base
35 pension which such surviving spouse shall elect under paragraph (c) of subdivision (3) of subsection
36 1 of section 86.1610 shall commence the first day of the month next following such death with no
37 proration of such pension for the month prior to such commencement date.

38 4. Upon the death of a member who is receiving a base pension under sections 86.1310 to
39 86.1640 leaving a surviving spouse, as defined in section 86.1310, entitled to benefits, the pension of
40 such surviving spouse shall commence on the first day of the month next following such death with
41 no proration for the month in which such death occurs.

1 5. All payments of any benefit shall be paid on the first business day of each month for that
2 month. For any benefit under sections 86.1310 to 86.1640, the retirement system shall withhold
3 payment of such benefit until all requisite documentation has been filed with the retirement system
4 evidencing the entitlement of the payee to such payment. The final payment due to a retired member
5 shall be the payment due on the first day of the month in which such member's death occurs. The
6 final payment due to any surviving spouse shall be the payment due on the first day of the month in
7 which such surviving spouse dies or otherwise ceases to be entitled to benefits under sections
8 86.1310 to 86.1640.

9 6. If no benefits are otherwise payable to a surviving spouse of a deceased member or
10 otherwise as provided in this section, the member's accumulated contributions, to any extent not
11 fully paid to such member prior to the member's death or to the surviving spouse of such member or
12 otherwise as provided in this section, shall be paid in one lump sum to the member's beneficiary
13 named by such member in a writing filed with the retirement system prior to the member's death for
14 the purpose of receiving such benefit, and if no beneficiary is named, then to such member's estate.
15 Such payment shall constitute full and final payment of any and all claims for benefits under the
16 retirement system, except as provided in section 86.1620.

17 86.1500. 1. Whenever a member is given a leave of absence for military service and returns
18 to employment after discharge from the service, such member shall be entitled to creditable service
19 for the years of employment prior to the leave of absence.

20 2. Except as provided in subsection 3 of this section, a member who served on active duty in
21 the Armed Forces of the United States and who became a member, or returned to membership, after
22 discharge under honorable conditions, may elect prior to retirement to purchase creditable service
23 equivalent to such service in the Armed Forces, not to exceed two years, provided the member is not
24 receiving and is not eligible to receive retirement credits or benefits from any other public or private
25 retirement plan for the service to be purchased, other than a United States military service retirement
26 system or United States Social Security benefits attributable to such military service, and an affidavit
27 so stating is filed by the member with the retirement system. A member electing to make such
28 purchase shall pay to the retirement system an amount equal to the actuarial cost of the additional
29 benefits attributable to the additional service credit to be purchased, as of the date the member elects
30 to make such purchase. Payment in full of the amount due from a member electing to purchase
31 creditable service under this subsection shall be made over a period not to exceed five years,
32 measured from the date of election, or prior to the commencement date for payment of benefits to
33 the member from the retirement system, whichever is earlier, including interest on unpaid balances
34 compounded annually at the interest rate assumed from time to time for actuarial valuations of the
35 retirement system. If payment in full including interest is not made within the prescribed period, any
36 partial payments made by the member shall be refunded, and no creditable service attributable to
37 such election, or as a result of any such partial payments, shall be allowed; provided that if a benefit
38 commencement date occurs because of the death or disability of a member who has made an election
39 under this subsection and if the member is current in payments under an approved installment plan at
40 the time of the death or disability, such election shall be valid if the member, the surviving spouse or
41 other person entitled to benefit payments pays the entire balance of the remaining amount due,

including interest to the date of such payment, within sixty days after the member's death or disability. The time of a disability shall be deemed to be the time when such member is determined by the retirement board to be totally and permanently disabled as provided in section 86.1560.

3. Notwithstanding any other provision of sections 86.1310 to 86.1640, a member who is on leave of absence for military service during any portion of which leave the United States is in a state of declared war, or a compulsory draft is in effect for any of the military branches of the United States, or any units of the military reserves of the United States, including the National Guard, are mobilized for combat military operations, and who becomes entitled to reemployment rights and other employment benefits under Title 38, Chapter 43 of the U.S. Code, relating to employment and reemployment rights of members of the uniformed services by meeting the requirements for such rights and benefits under Section 4312 of said chapter, or the corresponding provisions of any subsequent applicable federal statute, shall be entitled to service credit for the time spent in such military service for all purposes of sections 86.1310 to 86.1640 and such member shall not be required to pay any member contributions for such time. If it becomes necessary for the years of such service to be included in the calculation of such member's compensation for any purpose, such member shall be deemed to have received the same compensation throughout such period of service as the member's base annual salary immediately prior to the commencement of such leave of absence; provided, however, that the foregoing provisions of this subsection shall apply only to such portion of such leave with respect to which the cumulative length of the absence and of all previous absences from a position of employment with the employer by reason of service in the uniformed services does not exceed five years except for such period of any such excess as meets the requirements for exceptions to such five-year limitation set forth in the aforesaid Section 4312.

86.1530. The normal retirement date of a member shall be the later of:

(1) Tier I member - the date such member attains the age of sixty-five years, or the tenth anniversary of such member's employment; or

(2) Tier II member - the date such member attains the age of sixty-seven years, or the twentieth anniversary of such member's employment.

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

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

2. Tier I members may elect early retirement as follows:

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

(2) Beginning at age sixty, if the member has completed at least five but not more than ten

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

6 (3) At any time after the member's total of age and years of creditable service equals or
 7 exceeds eighty, in which event the benefit shall be as computed under subsection 1 of this section
 8 without any reduction. If an election for early retirement results in a reduced benefit under
 9 subdivision (1) or (2) of this subsection, such reduced benefit shall become the member's base
 10 pension, subject to all other adjustments described in this section.

11 3. Tier II members may elect early retirement as follows:

12 (1) Beginning at age sixty-two, if the member has completed at least five years of creditable
 13 service, the benefit as computed under subsection 1 of this section shall be reduced by one-half of
 14 one percent for each full month the initial payment is prior to the first day of the month following
 15 that in which such member will attain age sixty-seven; or

16 (2) At any time after the member has completed at least twenty years of creditable service
 17 and is at least sixty-two years of age, in which event the benefit shall be as computed under
 18 subsection 1 of this section without any reduction; or

19 (3) At any time after the member's total of age and years of creditable service equals or
 20 exceeds eighty-five, in which event the benefit shall be as computed under subsection 1 of this
 21 section without any reduction. If an election for early retirement results in a reduced benefit under
 22 subdivision (1) of this subsection, such reduced benefit shall become the member's base pension,
 23 subject to all other adjustments described in this section.

24 4. (1) A member who is married at the time of retirement may by a written election, with the
 25 written consent of such member's spouse, elect an optional benefit calculated as follows: such
 26 optional benefit shall be a monthly pension in the initial amount which shall be actuarially equivalent
 27 to the actuarial value of the pension described in subdivision (1) of subsection 1 of this section for
 28 such member at the date of retirement (including the value of survivorship rights of a surviving
 29 spouse, where applicable, under section 86.1610), upon the basis that the initial annuity for the
 30 member's spouse, if such spouse survives the member, shall be the same as the amount being paid the
 31 member on such annuity at the member's death, and, subject to cost-of-living adjustments thereafter
 32 declared on the spouse's base pension under section 86.1590, shall be paid to such surviving spouse
 33 for the lifetime of such spouse without regard to remarriage. If a member who makes an election of
 34 an optional benefit under this subsection has also elected an early retirement under either subdivision
 35 (1) or (2) of subsection 2 of this section or subdivision (1) of subsection 3 of this section, any
 36 reduction in benefit required for such early retirement election shall be calculated before calculating
 37 the initial amount of the optional benefit under this subsection.

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

41 (3) If a member makes the election permitted by this subsection, the amount calculated for

1 such optional benefit under either subdivision (1) or (2) of this subsection shall be the base pension
2 for such member and for such member's spouse for all purposes of sections 86.1310 to 86.1640.

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

6 [4.] 5. Subject to the provisions of subsection [6] 7 of this section, whenever the service of a
7 member is terminated after August 28, 1999, for any reason prior to death or retirement and the
8 member has five or more years of creditable service, the member may elect not to withdraw such
9 member's accumulated contributions and shall become entitled to receive a pension upon such
10 member's normal retirement date under subdivision (1) of subsection 1 of this section or may elect to
11 receive a pension commencing upon or after any date, prior to his or her normal retirement date,
12 upon which early retirement would have been permitted under subsection 2 of this section for Tier I
13 members or subsection 3 of this section for Tier II members if such member had remained a civilian
14 employee of such police department, except that in calculating any qualification under [subsection]
15 subsections 2 or 3 of this section, such member shall not be entitled to count any year of creditable
16 service in excess of such member's total years of creditable service at the time of such member's
17 termination of employment. The amount of any pension commenced upon the basis of a date
18 permitted under [subsection] subsections 2 or 3 of this section shall be computed on the basis of the
19 member's final compensation and number of years of creditable service, subject to such adjustments
20 as may be applicable under the subdivision of [subsection] subsections 2 or 3 of this section upon
21 which such member relies in electing such member's pension and subject to any other adjustments
22 that such member may elect under this section. The amount of the initial pension calculated after all
23 applicable adjustments shall be the base pension for such member, and for such member's spouse if
24 such member shall elect the optional benefit permitted under subsection [3] 4 of this section, for all
25 purposes of sections 86.1310 to 86.1640. Payment of any benefits elected under this subsection shall
26 commence as of the first day of the month next following the applicable date with no proration of
27 such benefit for any initial partial month.

28 [5.] 6. A member whose service was terminated on or before August 28, 1999, after five or
29 more years of creditable service, and who permitted such member's accumulated contributions to
30 remain in the pension fund, shall upon application to the retirement board be appointed as a
31 consultant. For services as such consultant, such member shall, beginning the later of August 28,
32 1999, or the time of such appointment under this subsection, be entitled to elect to receive
33 compensation in such amount and at such time as such member would have been entitled to elect
34 under any of the provisions of subsection [4] 5 of this section if such member had terminated service
35 after August 28, 1999. Such member shall be entitled to the same cost-of-living adjustments
36 following the commencement of such compensation as if such member's compensation had been a
37 base pension.

38 [6.] 7. Notwithstanding any other provisions of sections 86.1310 to 86.1640, any member
39 who is convicted of a felony prior to separation from active service shall not be entitled to any
40 benefit from this retirement system except the return of such member's accumulated contributions.

41 86.1580. 1. Any member in active service entitled to commence a pension under section

86.1540 may elect an optional distribution under the partial lump sum option plan provided in this section if the member:

- (1) Notifies the retirement system in writing of the member's retirement date at least ninety days in advance thereof and requests an explanation of the member's rights under this section; and
- (2) Notifies the retirement system of the member's election hereunder at least thirty days in advance of the retirement date.

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

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

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

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

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

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

(2) When a member makes an election to receive a lump sum distribution under this section, the base pension that the member would have received in the absence of an election shall be reduced on an actuarially equivalent basis to reflect the payment of the lump sum distribution, and the reduced base pension shall be the member's base pension thereafter for all purposes relating to base pension amounts under sections 86.1310 to 86.1640, unless the member has also elected an optional benefit permitted under subsection [3] 4 of section 86.1540.

(3) If a member electing a lump sum distribution under this section has elected the optional benefit permitted under subsection [3] 4 of section 86.1540, the calculation of the member's pension shall be made in the following order:

(a) The amount of the member's normal pension under subdivision (1) of subsection 1 of section 86.1540 shall be reduced if applicable by any reductions required under [subsection] subsections 2 or 3 of section 86.1540;

(b) The amount of the pension as determined under paragraph (a) of this subdivision shall be reduced to the actuarially equivalent amount to produce the optional form of benefit described in subdivision (1) of subsection [3] 4 of section 86.1540;

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

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

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

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

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

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

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

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

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

(3) For a surviving spouse entitled to the continuation of an optional benefit elected under subsection [3] 4 of section 86.1540, the base pension determined in accordance with subdivision (3) of subsection [3] 4 of section 86.1540.

4. The cost-of-living adjustment shall be an increase or decrease computed on the base

1 pension amount by the retirement board in an amount that the board, in its discretion, determines to
 2 be satisfactory, but in no event shall the adjustment be more than three percent or reduce the pension
 3 to an amount less than the base pension. In determining and granting the cost-of-living adjustments,
 4 the retirement board shall adopt such rules and regulations as may be necessary to effectuate the
 5 purposes of this section, including provisions for the manner of computation of such adjustments and
 6 the effective dates thereof. The retirement board shall provide for such adjustments to be determined
 7 once each year and granted on a date or dates to be chosen by the board, and may apply such
 8 adjustments in full to members who have retired during the year prior to such adjustments but who
 9 have not been retired for one full year and to the surviving spouse of a member who has died during
 10 the year prior to such adjustments.

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

17 86.1610. 1. Upon receipt of the proper proofs of death of a member in service for any
 18 reason whatsoever, the following amounts shall be payable subject to subsection 4 of this section,
 19 and if a pension shall be elected, the initial amount thereof shall be the base pension for such
 20 surviving spouse:

21 (1) If the member has less than five years of creditable service, the member's surviving
 22 spouse shall be paid, in one lump sum, the amount of the member's accumulated contributions. If
 23 there is no surviving spouse, the member's accumulated contributions shall be paid as provided in
 24 subsection 6 of section 86.1420;

25 (2) If the member has at least five but fewer than twenty years of creditable service, the
 26 member's surviving spouse may elect the lump sum settlement in subdivision (1) of this subsection
 27 or a pension. Such pension shall be fifty percent of the member's accrued pension at date of death as
 28 computed in subdivision (1) of subsection 1 of section 86.1540, commencing as provided in
 29 subsection 3 of section 86.1420;

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

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

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

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

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

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

41 2. Upon death of a member after retirement who has not elected the optional annuity

permitted under subsection [3] 4 of section 86.1540, the surviving spouse shall receive a base pension payable for life, equaling fifty percent of the member's base pension, as of the member's retirement date, subject to the following:

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

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

3. In the case of any member who, prior to August 28, 2001, died in service or retired, the surviving spouse who would qualify for benefits under subsection 1 or 2 of this section but for remarriage, and has not remarried prior to August 28, 2001, but remarries thereafter, shall upon application be appointed by the retirement board as a consultant. For services as such consultant, such surviving spouse shall be compensated in an amount equal to the benefits such spouse would have received under sections 86.1310 to 86.1640 in the absence of such remarriage.

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

86.1630. 1. A retirement plan under sections 86.1310 to 86.1640 is a qualified plan under the provisions of applicable federal law. The benefits and conditions of a retirement plan under sections 86.1310 to 86.1640 shall always be adjusted to ensure that the tax-exempt status is maintained.

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

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

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

(1) The attaining of the age of sixty-five or the member's tenth anniversary of employment, whichever is later for any Tier I member, or the attaining of the age of sixty-seven or the member's twentieth anniversary of employment, whichever is later for any Tier II member;

(2) For any Tier I member when the total sum of age and years of creditable service equals or exceeds eighty, or for any Tier II member when the total sum of age and years of creditable service equals or exceeds eighty-five; or

1 (3) To the extent funded, upon the termination of the system established under sections
2 86.1310 to 86.1640 or any partial termination which affects the member or any complete
3 discontinuance of contributions by the city to the system.
4

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

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

12 6. A member or beneficiary of a member shall not accrue a service retirement annuity,
13 disability retirement annuity, death benefit, whether death occurs in the line of duty or otherwise, or
14 any other benefit under sections 86.1310 to 86.1640 in excess of the benefit limits applicable to the
15 fund under Section 415 of the Internal Revenue Code. The retirement board shall reduce the amount
16 of any benefit that exceeds the limits of this section by the amount of the excess. If the total benefits
17 under the retirement system and the benefits and contributions to which any member is entitled
18 under any other qualified plan or plans maintained by the board of police commissioners that
19 employs the member would otherwise exceed the applicable limits under Section 415 of the Internal
20 Revenue Code, the benefits the member would otherwise receive from the retirement system are
21 reduced to the extent necessary to enable the benefits to comply with Section 415 of the Internal
22 Revenue Code.

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

28 8. If the amount of any benefit is determined on the basis of actuarial assumptions that are
29 not specifically set forth for that purpose in sections 86.1310 to 86.1640, the actuarial assumptions to
30 be used are those earnings and mortality assumptions used on the date of the determination by the
31 retirement system's actuary and approved by the retirement board. The actuarial assumptions used at
32 any particular time shall be attached as an addendum to a copy of the retirement system's statute
33 maintained by the retirement board and shall be treated for all purposes as part of sections 86.1310 to
34 86.1640. The actuarial assumptions may be changed by the retirement system's actuary annually if
35 approved by the retirement board, but a change in actuarial assumptions shall not result in any
36 decrease in benefits accrued as of the effective date of the change.

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

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

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

10 (2) For the purposes of subsection 9 of this section, a portion of a distribution shall not fail to
11 be an eligible rollover distribution merely because the portion consists of after-tax employee
12 contributions which are not includable in gross income. However, such portion may be paid only to
13 an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal
14 Revenue Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of
15 the Internal Revenue Code that agrees to separately account for amounts so transferred, including
16 separately accounting for the portion of such distribution that is includable in gross income and the
17 portion of such distribution that is not so includable."; and

18
19 Further amend said bill by amending the title, enacting clause, and intersectional references
20 accordingly.