

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 639, Page 9, Section 70.621, Line 24, by
2 inserting immediately after said line the following:

3 "86.200. The following words and phrases as used in sections 86.200 to 86.366, unless a
4 different meaning is plainly required by the context, shall have the following meanings:

5 (1) "Accumulated contributions", the sum of all mandatory contributions deducted from the
6 compensation of a member and credited to the member's individual account, together with members'
7 interest thereon;

8 (2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of
9 mortality tables and interest assumptions adopted by the board of trustees;

10 (3) "Average final compensation":

11 (a) With respect to a member who earns no creditable service on or after October 1, 2001,
12 the average earnable compensation of the member during the member's last three years of creditable
13 service as a police officer, or if the member has had less than three years of creditable service, the
14 average earnable compensation of the member's entire period of creditable service;

15 (b) With respect to a member who is not participating in the DROP pursuant to section
16 86.251 on October 1, 2001, who did not participate in the DROP at any time before such date, and
17 who earns any creditable service on or after October 1, 2001, the average earnable compensation of
18 the member during the member's last two years of creditable service as a [policeman] police officer,
19 or if the member has had less than two years of creditable service, then the average earnable
20 compensation of the member's entire period of creditable service;

21 (c) With respect to a member who is participating in the DROP pursuant to section 86.251
22 on October 1, 2001, or whose participation in DROP ended before such date, who returns to active
23 participation in the system pursuant to section 86.251, and who terminates employment as a police
24 officer for reasons other than death or disability before earning at least two years of creditable
25 service after such return, the portion of the member's benefit attributable to creditable service earned
26 before DROP entry shall be determined using average final compensation as defined in paragraph
27 (a) of this subdivision; and the portion of the member's benefit attributable to creditable service
28 earned after return to active participation in the system shall be determined using average final
29 compensation as defined in paragraph (b) of this subdivision;

30 (d) With respect to a member who is participating in the DROP pursuant to section 86.251
31 on October 1, 2001, or whose participation in the DROP ended before such date, who returns to
32 active participation in the system pursuant to section 86.251, and who terminates employment as a
33 police officer after earning at least two years of creditable service after such return, the member's
34 benefit attributable to all of such member's creditable service shall be determined using the
35 member's average final compensation as defined in paragraph (b) of this subdivision;

36 (e) With respect to a member who is participating in the DROP pursuant to section 86.251

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1 on October 1, 2001, or whose participation in DROP ended before such date, who returns to active
 2 participation in the system pursuant to section 86.251, and whose employment as a police officer
 3 terminates due to death or disability after such return, the member's benefit attributable to all of
 4 such member's creditable service shall be determined using the member's average final
 5 compensation as defined in paragraph (b) of this subdivision; and

6 (f) With respect to the surviving spouse or surviving dependent child of a member who
 7 earns any creditable service on or after October 1, 2001, the average earnable compensation of the
 8 member during the member's last two years of creditable service as a police officer or, if the
 9 member has had less than two years of creditable service, the average earnable compensation of the
 10 member's entire period of creditable service;

11 (4) "Beneficiary", any person in receipt of a retirement allowance or other benefit;

12 (5) "Board of trustees", the board provided in sections 86.200 to 86.366 to administer the
 13 retirement system;

14 (6) "Creditable service", prior service plus membership service as provided in sections
 15 86.200 to 86.366;

16 (7) "DROP", the deferred retirement option plan provided for in section 86.251;

17 (8) "Earnable compensation", the annual salary established under section 84.160 which a
 18 member would earn during one year on the basis of the member's rank or position plus any
 19 additional compensation for academic work and shift differential that may be provided by any
 20 official or board now or hereafter authorized by law to employ and manage a permanent police
 21 force in such cities. Such amount shall include the member's deferrals to a deferred compensation
 22 plan pursuant to Section 457 of the Internal Revenue Code or to a cafeteria plan pursuant to Section
 23 125 of the Internal Revenue Code or, effective October 1, 2001, to a transportation fringe benefit
 24 program pursuant to Section 132(f)(4) of the Internal Revenue Code. Earnable compensation shall
 25 not include a member's additional compensation for overtime, standby time, court time, nonuniform
 26 time or unused vacation time. Notwithstanding the foregoing, the earnable compensation taken into
 27 account under the plan established pursuant to sections 86.200 to 86.366 with respect to a member
 28 who is a noneligible participant, as defined in this subdivision, for any plan year beginning on or
 29 after October 1, 1996, shall not exceed the amount of compensation that may be taken into account
 30 under Section 401(a)(17) of the Internal Revenue Code, as adjusted for increases in the cost of
 31 living, for such plan year. For purposes of this subdivision, a "noneligible participant" is an
 32 individual who first becomes a member on or after the first day of the first plan year beginning after
 33 the earlier of:

34 (a) The last day of the plan year that includes August 28, 1995; or

35 (b) December 31, 1995;

36 (9) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as amended;

37 (10) "Mandatory contributions", the contributions required to be deducted from the salary of
 38 each member who is not participating in DROP in accordance with section 86.320;

39 (11) "Medical board", the health care organization appointed by the trustees of the police
 40 retirement board and responsible for arranging and passing upon all medical examinations required
 41 under the provisions of sections 86.200 to 86.366, which shall investigate all essential statements
 42 and certificates made by or on behalf of a member in connection with an application for disability
 43 retirement and shall report in writing to the board of trustees its conclusions and recommendations;

44 (12) "Member", a member of the retirement system as defined by sections 86.200 to 86.366;

45 (13) "Members' interest", interest on accumulated contributions at such rate as may be set
 46 from time to time by the board of trustees;

47 (14) "Membership service", service as a [policeman] police officer rendered since last
 48 becoming a member, except in the case of a member who has served in the Armed Forces of the

1 United States and has subsequently been reinstated as a [policeman] police officer, in which case
 2 "membership service" means service as a [policeman] police officer rendered since last becoming a
 3 member prior to entering such armed service;

4 (15) "Plan year" or "limitation year", the twelve consecutive-month period beginning each
 5 October first and ending each September thirtieth;

6 (16) ["Policeman" or] "Police officer", any member of the police force of such cities who
 7 holds a rank in such police force;

8 (17) "Prior service", all service as a [policeman] police officer rendered prior to the date the
 9 system becomes operative or prior to membership service which is creditable in accordance with the
 10 provisions of sections 86.200 to 86.366;

11 (18) "Reserve officer", any member of the police reserve force of such cities, armed or
 12 unarmed, who works less than full time, without compensation, and who, by his or her assigned
 13 function or as implied by his or her uniform, performs duties associated with those of a police
 14 officer and who currently receives a service retirement as provided by sections 86.200 to 86.366;

15 (19) "Retirement allowance", annual payments for life as provided by sections 86.200 to
 16 86.366 which shall be payable in equal monthly installments or any benefits in lieu thereof granted
 17 to a member upon termination of employment as a police officer and actual retirement;

18 (20) "Retirement system", the police retirement system of the cities as defined in sections
 19 86.200 to 86.366;

20 (21) "Surviving spouse", the surviving spouse of a member who was the member's spouse at
 21 the time of the member's death.

22 86.207. 1. Except as provided herein, all persons who become [policemen] police officers
 23 and all [policemen] police officers who enter or reenter the service of any city not within a county
 24 after the first day of October, 1957, become members as a condition of their employment and shall
 25 receive no pensions or retirement allowance from any other pension or retirement system supported
 26 wholly or in part by the city not within a county or the state of Missouri, nor shall they be required
 27 to make contributions under any other pension or retirement system of the city not within a county
 28 or the state of Missouri for the same period of service, anything to the contrary notwithstanding.
 29 Any employee of a city not within a county who is earning creditable service in a retirement plan
 30 established by said city under section 95.540 and subsequently becomes a [policeman] police officer
 31 may elect to remain a member of said retirement plan and shall not be required to become a member
 32 of a police retirement system established under [section] sections 86.200 to 86.366. However, an
 33 employee of a city not within a county who is earning creditable service in a retirement plan
 34 established by said city under section 95.540 and who subsequently becomes a [policeman] police
 35 officer may elect to transfer membership and creditable service to the police retirement system
 36 created under [section] sections 86.200 to 86.366. Such transfers are subject to the conditions and
 37 requirements contained in section 105.691 and are also subject to any existing agreements between
 38 the said retirement plans; provided however, transfers completed [prior to January 1, 2016,] within
 39 one year of becoming a police officer shall occur without regard to the vesting requirements of the
 40 receiving plan contained in section 105.691. As part of the transfer process described herein, the
 41 respective retirement plans may require the employee to acknowledge and agree as a condition of
 42 transfer that any election made under this section is irrevocable, constitutes a waiver of any right to
 43 receive retirement and disability benefits except as provided by the police retirement system, and
 44 that plan terms may be modified in the future.

45 2. If any member ceases to be in service for more than one year unless the member has
 46 attained the age of fifty-five or has twenty years or more of creditable service, or if the member
 47 withdraws the member's accumulated contributions or if the member receives benefits under the
 48 retirement system or dies, the member thereupon ceases to be a member; except in the case of a

1 member who has served in the Armed Forces of the United States and has subsequently been
2 reinstated as a [policeman] police officer. A member who has terminated employment as a police
3 officer, has actually retired and is receiving retirement benefits under the system shall be considered
4 a retired member.

5 3. A reserve officer shall not be considered a member of the system for the purpose of
6 determining creditable service, nor shall any contributions be due. A reserve officer shall not be
7 entitled to any benefits from the system other than those awarded when the reserve officer originally
8 retired under section 86.250, nor shall service as a reserve officer prohibit distribution of those
9 benefits.

10 86.210. 1. Under such rules and regulations as the board of trustees shall adopt, each
11 member who was a [policeman] police officer on and prior to the date the retirement system
12 becomes operative and who becomes a member within one year from such date and each member
13 who was a [policeman] police officer prior to reentering the service of the city as a [policeman]
14 police officer, shall file a detailed statement of all service as a [policeman] police officer rendered
15 by the member prior to the date the retirement system becomes operative or prior to the date of last
16 becoming a member, for which the member claims credit. If such member has withdrawn the
17 member's accumulated contributions prior to reentering said service, then the member shall repay all
18 such accumulated contributions plus the applicable members' interest thereon from the date of
19 withdrawal to the date of repayment in order to receive credit for such prior service.

20 2. The board of trustees shall fix and determine by proper rules and regulations how much
21 service in any year is equivalent to one year of service, but in no case shall more than one year of
22 service be creditable for all service in one calendar year, nor shall the board of trustees allow credit
23 as service for any period of more than one month's duration during which the member was absent
24 without pay.

25 3. Subject to the above restrictions and to such other rules and regulations as the board of
26 trustees may adopt, the board of trustees shall verify the service claims as soon as practicable after
27 the filing of such statement of service.

28 4. Upon verification of the statements of service the board of trustees shall issue prior
29 service certificates, certifying to each member the length of prior service with which the member is
30 credited on the basis of such member's statement of service. So long as the holder of such a
31 certificate continues to be a member, a prior service certificate shall be final and conclusive for
32 retirement purposes as to such service; provided, however, that any member may, within one year
33 from the date of issuance or modification of such certificate, request the board of trustees to modify
34 or correct such prior service certificate. When any [policeman] police officer ceases to be a
35 member, the former member's prior service certificate shall become void. Should the former
36 member again become a member, the former member shall enter the retirement system as a member
37 not entitled to prior service credit except as provided in sections 86.200 to 86.366. 5.

38 Creditable service at retirement on which the retirement allowance of a member shall be based shall
39 consist of the membership service rendered by the member since last becoming a member and also
40 if the member has a prior service certificate which is in full force and effect, the amount of the
41 service certified on such prior service certificate.

42 86.253. 1. Upon termination of employment as a police officer and actual retirement for
43 service, a member shall receive a service retirement allowance which shall be an amount equal to
44 two percent of the member's average final compensation multiplied by the number of years of the
45 member's creditable service, up to twenty-five years, plus an amount equal to four percent of the
46 member's average final compensation for each year of creditable service in excess of twenty-five
47 years but not in excess of thirty years; plus an additional five percent of the member's average final
48 compensation for any creditable service in excess of thirty years. Notwithstanding the foregoing,

1 the service retirement allowance of a member who does not earn any creditable service after August
2 11, 1999, shall not exceed an amount equal to seventy percent of the member's average final
3 compensation, and the service retirement allowance of a member who earns creditable service on or
4 after August 12, 1999, shall not exceed an amount equal to seventy-five percent of the member's
5 average final compensation; provided, however, that the service retirement allowance of a member
6 who is participating in the DROP pursuant to section 86.251 on August 12, 1999, who returns to
7 active participation in the system pursuant to section 86.251, and who terminates employment as a
8 police officer and actually retires for reasons other than death or disability before earning at least
9 two years of creditable service after such return shall be the sum of (1) the member's service
10 retirement allowance as of the date the member entered DROP and (2) an additional service
11 retirement allowance based solely on the creditable service earned by the member following the
12 member's return to active participation. The member's total years of creditable service shall be
13 taken into account for the purpose of determining whether the additional allowance attributable to
14 such additional creditable service is two percent, four percent or five percent of the member's
15 average final compensation.

16 2. If, at any time since first becoming a member of the retirement system, the member has
17 served in the Armed Forces of the United States, and has subsequently been reinstated as a
18 [policeman] police officer within ninety days after the member's discharge, the member shall be
19 granted credit for such service as if the member's service in the police department of such city had
20 not been interrupted by the member's induction into the Armed Forces of the United States. If
21 earnable compensation is needed for such period in computation of benefits it shall be calculated on
22 the basis of the compensation payable to the officers of the member's rank during the period of the
23 member's absence. Notwithstanding any provision of sections 86.200 to 86.366 to the contrary, the
24 retirement system governed by sections 86.200 to 86.366 shall be operated and administered in
25 accordance with the applicable provisions of the Uniformed Services Employment and
26 Reemployment Rights Act of 1994, as amended.

27 3. The service retirement allowance of each present and future retired member who
28 terminated employment as a police officer and actually retired from service after attaining age fifty-
29 five or after completing twenty years of creditable service shall be increased annually at a rate not to
30 exceed three percent as approved by the board of trustees beginning with the first increase in the
31 second October following the member's retirement and subsequent increases in each October
32 thereafter, provided that each increase is subject to a determination by the board of trustees that the
33 consumer price index (United States City Average Index) as published by the United States
34 Department of Labor shows an increase of not less than the approved rate during the latest twelve-
35 month period for which the index is available at the date of determination; and provided further, that
36 if the increase is in excess of the approved rate for any year, such excess shall be accumulated as to
37 any retired member and increases may be granted in subsequent years subject to a maximum of
38 three percent for each full year from October following the member's retirement but not to exceed a
39 total percentage increase of thirty percent. In no event shall the increase described under this
40 subsection be applied to the amount, if any, paid to a member or surviving spouse of a deceased
41 member for services as a special consultant under subsection 5 of this section [or, if applicable,
42 subsection 6 of this section]. If the board of trustees determines that the index has decreased for any
43 year, the benefits of any retired member that have been increased shall be decreased but not below
44 the member's initial benefit. No annual increase shall be made of less than one percent and no
45 decrease of less than three percent except that any decrease may be limited in amount by the initial
46 benefit.

47 4. In addition to any other retirement allowance payable under this section and section
48 86.250, a member, upon termination of employment as police officer and actual service retirement,

1 may request payment of the total amount of the member's mandatory contributions to the retirement
2 system without interest. Upon receipt of such request, the board shall pay the retired member such
3 total amount of the member's mandatory contributions to the retirement system to be paid pursuant
4 to this subsection within sixty days after such retired member's date of termination of employment
5 as a police officer and actual retirement.

6 5. Any person who is receiving retirement benefits from the retirement system, upon
7 application to the board of trustees, shall be made, constituted, appointed and employed by the
8 board of trustees as a special consultant on the problems of retirement, aging and other matters, for
9 the remainder of the person's life or, in the case of a deceased member's surviving spouse, until the
10 earlier of the person's death or remarriage, and upon request of the board of trustees shall give
11 opinions and be available to give opinions in writing or orally, in response to such requests, as may
12 be required. For such services the special consultant shall be compensated monthly, in an amount
13 which, when added to any monthly retirement benefits being received from the retirement system,
14 including any cost-of-living increases under subsection 3 of this section, shall total six hundred fifty
15 dollars a month. This employment shall in no way affect any person's eligibility for retirement
16 benefits under this chapter, or in any way have the effect of reducing retirement benefits,
17 notwithstanding any provisions of law to the contrary.

18 86.267. 1. Upon termination of employment as a police officer and actual retirement for
19 accidental disability, other than permanent total disability as defined in subsection 2, a member shall
20 receive a retirement allowance of seventy-five percent of the member's average final compensation.

21 2. Any member who, as the natural and proximate result of an accident occurring at some
22 definite time and place in the actual performance of the member's duty through no negligence on the
23 member's part, is permanently and totally incapacitated from performing any work, occupation or
24 vocation of any kind whatsoever shall receive a retirement allowance as under subsection 1 or, in
25 the discretion of the board of trustees, may receive a larger retirement allowance in an amount not
26 exceeding the member's rate of compensation as a [policeman] police officer in effect as of the date
27 the allowance begins.

28 3. The board of trustees, in its discretion, may, in addition to the allowance granted in
29 accordance with the provisions of subsections 1 and 2, grant an allowance in an amount to be
30 determined by the board of trustees, to provide such member with surgical, medical and hospital
31 care reasonably required after retirement, which are the result and in consequence of the accident
32 causing such disability.

33 4. Any person who is receiving benefits pursuant to subsection 2 of this section on or after
34 August 28, 1997, and any person who is receiving benefits pursuant to subsection 1 of this section
35 on or after October 1, 2001, and who made mandatory contributions to the retirement system, upon
36 application to the board of trustees, shall be made, constituted, appointed and employed by the
37 board of trustees as a special consultant on the problems of retirement, aging and other matters, and
38 upon request of the board of trustees shall give opinions and be available to give opinions in writing
39 or orally, in response to such requests, as may be required. For such services the retired member
40 shall be paid a lump sum payment in an amount equal to the total amount of the member's
41 mandatory contributions to the retirement system, without interest, within sixty days after approval
42 of the retired member's application by the board of trustees.

43 86.290. Should a member cease to be a [policeman] police officer except by death or actual
44 retirement, the member may request payment of the amount of the accumulated contributions
45 standing to the credit of the member's individual account, including members' interest, in which
46 event such amount shall be paid to the member not later than one year after the member ceases to be
47 a [policeman] police officer. If the former member is reemployed as a [policeman] police officer
48 before any portion of such former member's accumulated contributions is distributed, no

1 distribution shall be made. If the former member is reemployed as a [policeman] police officer after
2 a portion of the former member's accumulated contributions is distributed, the amount remaining
3 shall also be distributed.

4 86.360. The board of trustees provided for by section 86.213 is hereby authorized to
5 consolidate, combine and transfer funds provided by sections 86.010 to 86.193 with the funds
6 provided by sections 86.200 to 86.366 in such a manner as will simplify the operations of the two
7 systems. Separate records shall be maintained only to the extent necessary to determine and pay the
8 benefits provided by sections 86.010 to 86.193 for those [policemen] police officers electing not to
9 become members of the retirement system provided by sections 86.200 to 86.366. The board of
10 trustees may accept the membership records of the older system in lieu of the requirements in
11 section 86.210. The board of trustees may authorize the use of the same actuarial assumptions and
12 interest rate in the calculation of the contributions by the cities for both systems and the accrued
13 liability rate may be a combined rate for both systems."; and

14
15 Further amend said bill by amending the title, enacting clause, and intersectional references
16 accordingly.