

**HOUSE AMENDMENT NO. \_\_\_\_\_**  
**TO**  
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**Offered By**

1 AMEND House Amendment No. \_\_\_\_\_ to House Committee Substitute for Senate Bill No. 639,  
2 Page 7 Line 39 to Page 12, Line 38, by deleting all of said lines and inserting in lieu  
3 thereof the following:  
4

5 "86.200. The following words and phrases as used in sections 86.200 to 86.366, unless a  
6 different meaning is plainly required by the context, shall have the following meanings:

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

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

12 (3) "Average final compensation":

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

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

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

32 (d) With respect to a member who is participating in the DROP pursuant to section 86.251  
33 on October 1, 2001, or whose participation in the DROP ended before such date, who returns to

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1 active participation in the system pursuant to section 86.251, and who terminates employment as a  
2 police officer after earning at least two years of creditable service after such return, the member's  
3 benefit attributable to all of such member's creditable service shall be determined using the  
4 member's average final compensation as defined in paragraph (b) of this subdivision;

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

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

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

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

19 (6) "Creditable service", prior service plus membership service as provided in sections  
20 86.200 to 86.366;

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

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

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

40 (b) December 31, 1995;

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

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

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

- 1 (12) "Member", a member of the retirement system as defined by sections 86.200 to 86.366;
- 2 (13) "Members' interest", interest on accumulated contributions at such rate as may be set
- 3 from time to time by the board of trustees;
- 4 (14) "Membership service", service as a [policeman] police officer rendered since last
- 5 becoming a member, except in the case of a member who has served in the Armed Forces of the
- 6 United States and has subsequently been reinstated as a [policeman] police officer, in which case
- 7 "membership service" means service as a [policeman] police officer rendered since last becoming a
- 8 member prior to entering such armed service;
- 9 (15) "Plan year" or "limitation year", the twelve consecutive-month period beginning each
- 10 October first and ending each September thirtieth;
- 11 (16) ["Policeman" or] "Police officer", any member of the police force of such cities who
- 12 holds a rank in such police force;
- 13 (17) "Prior service", all service as a [policeman] police officer rendered prior to the date the
- 14 system becomes operative or prior to membership service which is creditable in accordance with the
- 15 provisions of sections 86.200 to 86.366;
- 16 (18) "Reserve officer", any member of the police reserve force of such cities, armed or
- 17 unarmed, who works less than full time, without compensation, and who, by his or her assigned
- 18 function or as implied by his or her uniform, performs duties associated with those of a police
- 19 officer and who currently receives a service retirement as provided by sections 86.200 to 86.366;
- 20 (19) "Retirement allowance", annual payments for life as provided by sections 86.200 to
- 21 86.366 which shall be payable in equal monthly installments or any benefits in lieu thereof granted
- 22 to a member upon termination of employment as a police officer and actual retirement;
- 23 (20) "Retirement system", the police retirement system of the cities as defined in sections
- 24 86.200 to 86.366;
- 25 (21) "Surviving spouse", the surviving spouse of a member who was the member's spouse at
- 26 the time of the member's death.
- 27 86.207. 1. Except as provided herein, all persons who become [policemen] police officers
- 28 and all [policemen] police officers who enter or reenter the service of any city not within a county
- 29 after the first day of October, 1957, become members as a condition of their employment and shall
- 30 receive no pensions or retirement allowance from any other pension or retirement system supported
- 31 wholly or in part by the city not within a county or the state of Missouri, nor shall they be required
- 32 to make contributions under any other pension or retirement system of the city not within a county
- 33 or the state of Missouri for the same period of service, anything to the contrary notwithstanding.
- 34 Any employee of a city not within a county who is earning creditable service in a retirement plan
- 35 established by said city under section 95.540 and subsequently becomes a [policeman] police officer
- 36 may elect to remain a member of said retirement plan and shall not be required to become a member
- 37 of a police retirement system established under [section] sections 86.200 to 86.366. However, an
- 38 employee of a city not within a county who is earning creditable service in a retirement plan
- 39 established by said city under section 95.540 and who subsequently becomes a [policeman] police
- 40 officer may elect to transfer membership and creditable service to the police retirement system
- 41 created under [section] sections 86.200 to 86.366. Such transfers are subject to the conditions and
- 42 requirements contained in section 105.691 and are also subject to any existing agreements between
- 43 the said retirement plans; provided however, transfers completed [prior to January 1, 2016,] within
- 44 one year of becoming a police officer shall occur without regard to the vesting requirements of the
- 45 receiving plan contained in section 105.691. As part of the transfer process described herein, the
- 46 respective retirement plans may require the employee to acknowledge and agree as a condition of
- 47 transfer that any election made under this section is irrevocable, constitutes a waiver of any right to
- 48 receive retirement and disability benefits except as provided by the police retirement system, and

1 that plan terms may be modified in the future.

2 2. If any member ceases to be in service for more than one year unless the member has  
3 attained the age of fifty-five or has twenty years or more of creditable service, or if the member  
4 withdraws the member's accumulated contributions or if the member receives benefits under the  
5 retirement system or dies, the member thereupon ceases to be a member; except in the case of a  
6 member who has served in the Armed Forces of the United States and has subsequently been  
7 reinstated as a [policeman] police officer. A member who has terminated employment as a police  
8 officer, has actually retired and is receiving retirement benefits under the system shall be considered  
9 a retired member.

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

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

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

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

33 4. Upon verification of the statements of service the board of trustees shall issue prior  
34 service certificates, certifying to each member the length of prior service with which the member is  
35 credited on the basis of such member's statement of service. So long as the holder of such a  
36 certificate continues to be a member, a prior service certificate shall be final and conclusive for  
37 retirement purposes as to such service; provided, however, that any member may, within one year  
38 from the date of issuance or modification of such certificate, request the board of trustees to modify  
39 or correct such prior service certificate. When any [policeman] police officer ceases to be a  
40 member, the former member's prior service certificate shall become void. Should the former  
41 member again become a member, the former member shall enter the retirement system as a member  
42 not entitled to prior service credit except as provided in sections 86.200 to 86.366. 5.  
43 Creditable service at retirement on which the retirement allowance of a member shall be based shall  
44 consist of the membership service rendered by the member since last becoming a member and also  
45 if the member has a prior service certificate which is in full force and effect, the amount of the  
46 service certified on such prior service certificate.

47 86.253. 1. Upon termination of employment as a police officer and actual retirement for  
48 service, a member shall receive a service retirement allowance which shall be an amount equal to

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

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

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

1 the member's initial benefit. No annual increase shall be made of less than one percent and no  
2 decrease of less than three percent except that any decrease may be limited in amount by the initial  
3 benefit.

4 4. In addition to any other retirement allowance payable under this section and section  
5 86.250, a member, upon termination of employment as police officer and actual service retirement,  
6 may request payment of the total amount of the member's mandatory contributions to the retirement  
7 system without interest. Upon receipt of such request, the board shall pay the retired member such  
8 total amount of the member's mandatory contributions to the retirement system to be paid pursuant  
9 to this subsection within sixty days after such retired member's date of termination of employment  
10 as a police officer and actual retirement.

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

23 86.267. 1. Upon termination of employment as a police officer and actual retirement for  
24 accidental disability, other than permanent total disability as defined in subsection 2, a member shall  
25 receive a retirement allowance of seventy-five percent of the member's average final compensation.

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

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

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

48 86.290. Should a member cease to be a [policeman] police officer except by death or actual

1 retirement, the member may request payment of the amount of the accumulated contributions  
2 standing to the credit of the member's individual account, including members' interest, in which  
3 event such amount shall be paid to the member not later than one year after the member ceases to be  
4 a [policeman] police officer. If the former member is reemployed as a [policeman] police officer  
5 before any portion of such former member's accumulated contributions is distributed, no  
6 distribution shall be made. If the former member is reemployed as a [policeman] police officer after  
7 a portion of the former member's accumulated contributions is distributed, the amount remaining  
8 shall also be distributed.

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

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

22  
23 THIS AMENDMENT AMENDS 4825H03.04H