

FIRST REGULAR SESSION

HOUSE BILL NO. 1086

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WALKER (3).

1402H.02I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 86.200, 86.223, 86.247, 86.250, 86.251, 86.253, 86.254, 86.260, 86.290, 86.320, 86.330, 86.333, 86.337, 86.344, and 86.354, RSMo, and to enact in lieu thereof fifteen new sections relating to retirement benefits for police officers.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 86.200, 86.223, 86.247, 86.250, 86.251, 86.253, 86.254, 86.260, 86.290, 86.320, 86.330, 86.333, 86.337, 86.344, and 86.354, RSMo, are repealed and fifteen new sections enacted in lieu thereof, to be known as sections 86.200, 86.223, 86.247, 86.250, 86.251, 86.253, 86.254, 86.260, 86.290, 86.320, 86.330, 86.333, 86.337, 86.344, and 86.354, to read as follows:

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

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

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

(3) "Average final compensation":

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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

13 (b) With respect to a member **who commenced employment before October 1, 2017,**
14 who is not participating in the DROP pursuant to section 86.251 on October 1, 2001, who did
15 not participate in the DROP at any time before such date, and who earns any creditable service
16 on or after October 1, 2001, the average earnable compensation of the member during the
17 member's last two years of creditable service as a policeman, or if the member has had less than
18 two years of creditable service, then the average earnable compensation of the member's entire
19 period of creditable service; **provided, however, that with respect to a member who**
20 **commenced employment on or after October 1, 2017, who is not participating in the DROP**
21 **under section 86.251, who did not participate in the DROP at any time before such date,**
22 **and who earns any creditable service on or after October 1, 2017, the "average final**
23 **compensation" means the average earnable compensation of the member during the**
24 **member's last three years of creditable service as a police officer, or if the member has had**
25 **less than three years of creditable service, then the average earnable compensation of the**
26 **member's entire period of creditable service;**

27 (c) With respect to a member **who commenced employment before October 1, 2017,**
28 who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose
29 participation in DROP ended before such date, who returns to active participation in the system
30 pursuant to section 86.251, and who terminates employment as a police officer for reasons other
31 than death or disability before earning at least two years of creditable service after such return,
32 the portion of the member's benefit attributable to creditable service earned before DROP entry
33 shall be determined using average final compensation as defined in paragraph (a) of this
34 subdivision; and the portion of the member's benefit attributable to creditable service earned after
35 return to active participation in the system shall be determined using average final compensation
36 as defined in paragraph (b) of this subdivision; **provided, however, that with respect to a**
37 **member who commenced employment on or after October 1, 2017, who is participating in**
38 **the DROP (regardless of the period of time such member has participated in DROP) under**
39 **section 86.251, and who shall terminate employment as a police officer and actually retire:**

40 **a. At the end of the five-year DROP period; or**

41 **b. At the time such member elects to withdraw from participation in DROP**
42 **(regardless of the period of time such member participated in DROP),**

43

44 **the portion of the member's benefit attributable to creditable service earned before DROP**
45 **entry shall be determined using average final compensation as defined in paragraph (a) of**
46 **this subdivision;**

47 (d) With respect to a member **who commenced employment before October 2, 2017,**
48 who is participating in the DROP pursuant to section 86.251 on October 1, [2001] 2016, or

49 whose participation in the DROP ended before such date, who returns to active participation in
50 the system pursuant to section 86.251, and who terminates employment as a police officer after
51 earning at least two years of creditable service after such return, the member's benefit attributable
52 to all of such member's creditable service shall be determined using the member's average final
53 compensation as defined in paragraph (b) of this subdivision; **provided, however, that with**
54 **respect to a member who commenced employment on or after October 1, 2017, who is**
55 **participating in the DROP (regardless of the period of time such member has participated**
56 **in DROP) under section 86.251, and who shall terminate employment as a police officer**
57 **and actually retire:**

58 a. **At the end of the five-year DROP period; or**

59 b. **At the time such member elects to withdraw from participation in DROP**
60 **(regardless of the period of time such member participated in DROP),**

61
62 **the portion of the member's benefit attributable to creditable service earned before DROP**
63 **entry shall be determined using average final compensation as defined in paragraph (a) of**
64 **this subdivision;**

65 (e) With respect to a member **who commenced employment before October 2, 2017,**
66 who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose
67 participation in DROP ended before such date, who returns to active participation in the system
68 pursuant to section 86.251, and whose employment as a police officer terminates due to death
69 or disability after such return, the member's benefit attributable to all of such member's creditable
70 service shall be determined using the member's average final compensation as defined in
71 paragraph (b) of this subdivision; **provided, however, that with respect to a member who**
72 **commenced employment on or after October 1, 2017, who is participating in the DROP**
73 **under section 86.251, and whose employment as a police officer terminates due to death or**
74 **disability after such return, the member's benefit attributable to all of such member's**
75 **creditable service shall be determined using the member's average final compensation as**
76 **defined in paragraph (b) of this subdivision; and**

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

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

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

85 (6) "Creditable service", prior service plus membership service as provided in sections
86 86.200 to 86.366;

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

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

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

106 (b) December 31, 1995;

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

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

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

116 (12) "Member", a member of the retirement system as defined by sections 86.200 to
117 86.366;

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

120 (14) "Membership service", service as a policeman rendered since last becoming a
121 member, except in the case of a member who has served in the Armed Forces of the United
122 States and has subsequently been reinstated as a policeman, in which case "membership service"
123 means service as a policeman rendered since last becoming a member prior to entering such
124 armed service;

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

127 (16) "Policeman" or "police officer", any member of the police force of such cities who
128 holds a rank in such police force;

129 (17) "Prior service", all service as a policeman rendered prior to the date the system
130 becomes operative or prior to membership service which is creditable in accordance with the
131 provisions of sections 86.200 to 86.366;

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

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

139 (20) "Retirement system", the police retirement system of the cities as defined in sections
140 86.200 to 86.366;

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

86.223. ~~[Six]~~ **A majority of the appointed or elected** trustees shall constitute a quorum
2 for the transaction of business, and any official action of the board shall be based on the majority
3 vote of the trustees present.

86.247. On the basis of such tables as the board of trustees shall adopt, the actuary shall
2 make an annual valuation of the assets and liabilities of the system created by sections 86.200
3 to 86.366. **The actuary may use the entry age normal method subject to subsection 2 of**
4 **section 86.344.**

86.250. Retirement of a member on a service retirement allowance shall be made by the
2 board of trustees as follows:

3 ~~[(4)]~~ Any member may terminate employment as a police officer and actually retire after
4 completing twenty or more years of creditable service or attaining the age of fifty-five upon the
5 member's written application to the board of trustees setting forth at what time, but not more than

6 ninety days subsequent to the execution and filing of the application, the member desires to be
7 retired];-

8 ~~———(2) Any member in service who has attained the age of sixty-five shall be terminated as~~
9 ~~a police officer and actually retired forthwith provided that upon request of the chief of police~~
10 ~~the board of trustees may permit such member to remain in service for periods of not to exceed~~
11 ~~one year from the date of the last request from the chief of police]. However, any member who~~
12 **commenced employment on or after October 1, 2017, may terminate employment as a**
13 **police officer and actually retire after completing ten or more years of creditable service**
14 **and attaining the age of fifty-five upon the member's written application to the board of**
15 **trustees setting forth at what time, but not more than ninety days subsequent to the**
16 **execution and filing of the application, the member desires to be retired; provided,**
17 **however, that any member who commenced employment on or after October 1, 2017, may**
18 **enter the DROP at any time after completing twenty years of creditable service.**

86.251. 1. The board of trustees may develop and establish a deferred retirement option
2 plan (DROP) in which members who are eligible for retirement but who have not terminated
3 employment as police officers and who have not actually retired may participate. The DROP
4 shall be designed to allow members with at least twenty years of creditable service or who have
5 attained the age of fifty-five who have achieved eligibility for retirement and are entitled to a
6 service retirement allowance and other benefits to postpone actual retirement, continue active
7 employment and accumulate a deferred receipt of the service retirement allowance. No one shall
8 participate in the DROP for a period exceeding five years.

9 2. Any member who has at least twenty years of creditable service or has attained the age
10 of fifty-five may elect in writing before retirement to participate in the DROP. A member
11 electing to participate in the DROP shall postpone actual retirement, shall continue in active
12 employment and shall not receive any direct retirement allowance payments or benefits during
13 the period of participation. **Any member who commenced employment on or after October**
14 **1, 2017, who leaves the service before age fifty-five shall defer the receipt of his or her**
15 **benefits until he or she reaches age fifty-five.**

16 3. Upon the start of the participation in the DROP, the member shall cease to make any
17 mandatory contributions to the system. No contribution shall be required by the city into the
18 DROP account. During the period of participation in the DROP, the amount that the member
19 would have received as a service retirement allowance if the member had actually retired instead
20 of entering DROP shall be deposited monthly in the member's DROP account which shall be
21 established in the member's name by the board of trustees. The member's service retirement
22 allowance shall not be adjusted for any cost-of-living increases for any period prior to the
23 member's termination of employment as a police officer and actual retirement. Cost-of-living

24 increases, if any, for any period following the member's termination of employment as a police
25 officer and actual retirement shall be applied only to monthly service retirement payments made
26 following termination of employment as a police officer and actual retirement. Service earned
27 during the period of participation in the DROP shall not be creditable service and shall not be
28 counted in determination of any service retirement allowance or surviving spouse's or
29 ~~[dependents']~~ **dependent's** benefits. Compensation paid during the period of participation in the
30 DROP shall not be earnable compensation and shall not be counted in the determination of any
31 service retirement allowance or surviving spouse's or dependent's benefits. The member's service
32 retirement allowance shall be frozen as of the date the member enters DROP. Except as
33 specifically provided in sections 86.200 to 86.366, the member's frozen service retirement
34 allowance shall not increase while the member is participating in DROP or after the member's
35 participation in DROP ends, and the member shall not share in any benefit improvement that is
36 enacted or that becomes effective while such member is participating in the DROP.

37 4. A member shall cease participation in the DROP upon the termination of the member's
38 employment as a police officer and actual retirement, or at the end of the five-year period
39 commencing on the first day of the member's participation in the DROP, or as of the effective
40 date of the member's election to return to active participation in the system, whichever occurs
41 first. A member's election to return to active participation in the system before the end of the
42 five-year period commencing on the first day of participation in the DROP shall be made and
43 shall become effective in accordance with procedures established by the board of trustees. Upon
44 the member's termination of employment as a police officer and actual retirement, the member
45 shall elect to receive the value of the member's DROP account, in one of the following forms of
46 payment:

- 47 (1) A lump sum payment; or
48 (2) Equal monthly installments over a ten-year period.

49

50 Either form of payment should begin within thirty days after the member's notice to the board
51 of trustees that the member has selected a particular option.

52 5. If a member who is participating in the DROP elects to return to active participation
53 in the system or if a member who is participating in the DROP does not terminate employment
54 and actually retires as a police officer in the city for which the retirement system was established
55 pursuant to sections 86.200 to 86.366 at the end of the five-year period commencing on the first
56 day of the member's participation in the DROP, the member shall return to active participation
57 in the system and shall resume making mandatory contributions to the system effective as of the
58 day after participation in the DROP ends. The board of trustees shall notify the chief of police
59 to begin deducting mandatory contributions from the member's salary and the member's

60 employment period shall count as creditable service beginning as of the day the member returns
61 to active participation.

62 6. In no event shall a member, **including any member who commenced employment**
63 **on or after October 1, 2017**, whose participation in DROP has ended for any reason be eligible
64 to participate in DROP again.

65 7. Upon the member's termination of employment as a police officer and actual
66 retirement, the member's mandatory contributions to the retirement system shall be paid to the
67 member pursuant to subsection 4 of section 86.253.

68 8. If a member dies prior to termination of employment as a police officer and actual
69 retirement while participating in the DROP or before the member has received full withdrawal
70 of the amount in the member's DROP account under the installment optional payment form, the
71 remaining balance of the member's DROP account shall be payable to the member's surviving
72 spouse; or, if the member is then unmarried, to the member's dependent children in equal shares;
73 or, if none, to the member's dependent mother or father; or, if none, to the member's designated
74 beneficiary or, if no such beneficiary is then living, to the member's estate. Payment shall be
75 made in a lump sum within sixty days after receipt by the board of trustees of evidence and proof
76 of the death of a member. In addition, the member's mandatory contributions, if any, that were
77 not already paid to the member pursuant to subsection 4 of section 86.253 shall be paid to the
78 member's surviving spouse pursuant to section 86.288.

79 9. If a member applies for and receives benefits for an accidental disability retirement
80 allowance pursuant to the provisions of section 86.263, the member shall forfeit all rights, claims
81 or interest in the member's DROP account and the member's benefits shall be calculated as if the
82 member has continued in employment and had not elected to participate in the DROP. Any
83 portion of a DROP account that has been forfeited as provided in this subsection shall be a
84 general asset of the system.

85 10. A member's DROP account shall earn interest equal to the rate of return earned by
86 the system's investment portfolio on a market value basis, including realized and unrealized gains
87 and losses, net of investment expense, as certified by the system's actuary. As of the last day of
88 each plan year beginning after DROP participation begins, the member's DROP account balance,
89 determined as of the last day of the prior plan year, shall be credited with interest at the
90 investment rate earned by the assets of the retirement system for such prior plan year. If
91 distribution of the member's DROP account balance is made in a lump sum under subsection 4
92 or 8 of this section, interest for the plan year of distribution shall be credited on the ending
93 balance for the prior plan year at the investment rate earned on the assets of the retirement system
94 for the prior plan year, in proportion to the part of the plan year preceding the date of the
95 member's termination of employment or death, whichever is earlier. If the member's DROP

96 account is paid in equal monthly installments pursuant to subsection 4 of this section, interest
97 during the installment period shall be credited as of the last day of each plan year ending after
98 installment payment begins on the account balance as of the first or last day of the plan year,
99 whichever is lower, at the investment rate earned by the assets of the system for the prior plan
100 year. Interest for the year in which the final installment is paid shall be credited on the balance
101 remaining after the final installment is paid, at the investment rate earned on the assets of the
102 system for the prior plan year, in proportion to the part of the plan year preceding payment of the
103 final installment. Any interest credited to the DROP account during the installment period shall
104 be paid as soon as reasonably possible after the final monthly installment. No interest shall be
105 credited on amounts, if any, added to the member's DROP account during the year in which the
106 distribution of the account is completed. **Any member who commenced employment on or**
107 **after October 1, 2017, shall earn interest for all purposes for which interest is allowed at**
108 **the rate of return earned by the ten-year United States Treasury bill as of September**
109 **thirtieth each year plus one percent, not to exceed a rate of six percent per annum.**

110 11. The board of trustees shall not incur any liability individually or on behalf of other
111 individuals for any act or omission made in good faith in relation to the DROP or assets credited
112 to DROP accounts established by this section. The provisions of the Internal Revenue Code and
113 regulations promulgated thereunder shall supersede any provision of this section if there is any
114 inconsistency with the Internal Revenue Code or regulation.

115 12. Upon the receipt by the board of trustees of evidence and proof that the death of a
116 member resulted from an event occurring while the member was in the actual performance of
117 duty, and if the member is participating in the DROP, the member's surviving spouse or, if the
118 member is then unmarried, the member's unmarried dependent children, may elect within thirty
119 days after the member's death to have the amount in the member's DROP account paid in the
120 form of a monthly survivor annuity. Payment of the survivor annuity shall begin within sixty
121 days after the election is received. Payment to the member's surviving spouse shall continue
122 until the surviving spouse's death; payment to the member's unmarried dependent children shall
123 be made while any child qualifies as an unmarried dependent child pursuant to section 86.280.
124 The survivor annuity shall be the actuarial equivalent of the member's DROP account as of the
125 date of the member's death. In no event shall the total amount paid pursuant to this subsection
126 be less than the member's DROP account balance as of the date of the member's death.

86.253. 1. Upon termination of employment as a police officer and actual retirement for
2 service, a member shall receive a service retirement allowance which shall be an amount equal
3 to two percent of the member's average final compensation multiplied by the number of years
4 of the member's creditable service, up to twenty-five years, plus an amount equal to four percent
5 of the member's average final compensation for each year of creditable service in excess of

6 twenty-five years but not in excess of thirty years; plus an additional five percent of the member's
7 average final compensation for any creditable service in excess of thirty years. Notwithstanding
8 the foregoing, the service retirement allowance of a member who does not earn any creditable
9 service after August 11, 1999, shall not exceed an amount equal to seventy percent of the
10 member's average final compensation, and the service retirement allowance of a member who
11 earns creditable service ~~[on or after August 12, 1999]~~ **before October 1, 2017**, shall not exceed
12 an amount equal to seventy-five percent of the member's average final compensation; provided,
13 however, that the **member commenced employment before October 1, 2017, and the** service
14 retirement allowance of a member who is participating in the DROP pursuant to section 86.251
15 on August 12, 1999, who returns to active participation in the system pursuant to section 86.251,
16 and who terminates employment as a police officer and actually retires for reasons other than
17 death or disability before earning at least two years of creditable service after such return shall
18 be the sum of (1) the member's service retirement allowance as of the date the member entered
19 DROP and (2) an additional service retirement allowance based solely on the creditable service
20 earned by the member following the member's return to active participation. **However, if the**
21 **member commenced employment on or after October 1, 2017, then the service retirement**
22 **allowance of the member shall not exceed an amount equal to seventy percent of the**
23 **member's average final compensation.** The member's total years of creditable service shall
24 be taken into account for the purpose of determining whether the additional allowance
25 attributable to such additional creditable service is two percent, four percent or five percent of
26 the member's average final compensation.

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

38 3. The service retirement allowance of each present and future retired member **who**
39 **earned creditable service before October 1, 2017, and** who terminated employment as a police
40 officer and actually retired from service after attaining age fifty-five or after completing twenty
41 years of creditable service shall be increased annually at a rate not to exceed three percent as

42 approved by the board of trustees beginning with the first increase in the second October
43 following the member's retirement and subsequent increases in each October thereafter, provided
44 that each increase is subject to a determination by the board of trustees that the consumer price
45 index (United States City Average Index) as published by the United States Department of Labor
46 shows an increase of not less than the approved rate during the latest twelve-month period for
47 which the index is available at the date of determination; and provided further, that if the increase
48 is in excess of the approved rate for any year, such excess shall be accumulated as to any retired
49 member and increases may be granted in subsequent years subject to a maximum of three percent
50 for each full year from October following the member's retirement but not to exceed a total
51 percentage increase of thirty percent. **The service retirement allowance of a member who**
52 **commenced employment on or after October 1, 2017, shall be increased in the same**
53 **manner; except that, the increases shall not exceed a total percentage increase of twenty-**
54 **five percent.** In no event shall the increase described under this subsection be applied to the
55 amount, if any, paid to a member or surviving spouse of a deceased member for services as a
56 special consultant under subsection 5 of this section [~~or, if applicable, subsection 6 of this~~
57 ~~section~~]. If the board of trustees determines that the index has decreased for any year, the
58 benefits of any retired member that have been increased shall be decreased but not below the
59 member's initial benefit. No annual increase shall be made of less than one percent and no
60 decrease of less than three percent except that any decrease may be limited in amount by the
61 initial benefit.

62 4. In addition to any other retirement allowance payable under this section and section
63 86.250, a member, upon termination of employment as police officer and actual service
64 retirement, may request payment of the total amount of the member's mandatory contributions
65 to the retirement system without interest. Upon receipt of such request, the board shall pay the
66 retired member such total amount of the member's mandatory contributions to the retirement
67 system to be paid pursuant to this subsection within sixty days after such retired member's date
68 of termination of employment as a police officer and actual retirement. **Notwithstanding the**
69 **foregoing, a member who commenced employment on or after October 1, 2017, shall not**
70 **be eligible for the return of his or her mandatory contributions to the retirement system**
71 **upon termination of employment as a police officer and actual service retirement; except**
72 **that, a member who commenced employment on or after October 1, 2017, shall receive his**
73 **or her mandatory contributions to the retirement system without interest if not vested at**
74 **the time of termination of employment as a police officer or actual service retirement.**

75 5. Any person who is receiving retirement benefits from the retirement system, upon
76 application to the board of trustees, shall be made, constituted, appointed and employed by the
77 board of trustees as a special consultant on the problems of retirement, aging and other matters,

78 for the remainder of the person's life or, in the case of a deceased member's surviving spouse,
79 until the earlier of the person's death or remarriage, and upon request of the board of trustees
80 shall give opinions and be available to give opinions in writing or orally, in response to such
81 requests, as may be required. For such services the special consultant shall be compensated
82 monthly, in an amount which, when added to any monthly retirement benefits being received
83 from the retirement system, including any cost-of-living increases under subsection 3 of this
84 section, shall total six hundred fifty dollars a month. This employment shall in no way affect any
85 person's eligibility for retirement benefits under this chapter, or in any way have the effect of
86 reducing retirement benefits, notwithstanding any provisions of law to the contrary.

86.254. 1. Beginning July 1, 1994, in addition to any other annuity, benefits, or
2 retirement allowance provided pursuant to sections 86.200 to 86.366, each present and future
3 retired member **employed before October 1, 2017**, after attaining the age of sixty years shall,
4 upon application to the board of trustees, be made, constituted, appointed and employed by the
5 board of trustees as an advisor on the problems of retirement, aging and other matters, for the
6 remainder of the retired member's life, and upon request of the board of trustees shall give
7 opinions in writing or orally in response to such requests as may be required.

8 2. For the performance of duties required in subsection 1 of this section, each retired
9 member employed as an advisor by the board of trustees shall be compensated monthly in an
10 amount of ten dollars per month multiplied by the number of years the retired member is past the
11 age of sixty years. The compensation provided by this subsection shall be adjusted annually.
12 No funding shall be required prior to the effective date of this benefit.

13 3. Beginning October 1, 1999, in addition to any other benefit provided to any surviving
14 spouse pursuant to sections 86.200 to 86.366, each present and future surviving spouse of a
15 member **employed before October 1, 2017**, after attaining the age of sixty years shall upon
16 application to the board of trustees, be made, constituted, appointed and employed by the board
17 of trustees as an advisor on the problems of retirement, aging and other matters for the remainder
18 of the surviving spouse's life or until the surviving spouse remarries, whichever is earlier, and
19 upon request of the board of trustees shall give opinions in writing or orally in response to such
20 requests as may be required.

21 4. For the performance of duties required in subsection 3 of this section, each surviving
22 spouse of a member employed as an advisor by the board of trustees shall be compensated
23 monthly in an amount of ten dollars per month multiplied by the number of years the surviving
24 spouse is past the age of sixty years. The compensation provided by this subsection shall be
25 adjusted annually.

86.260. 1. Upon termination of employment as a police officer and actual retirement for
2 nonduty disability a member shall receive a service retirement allowance as calculated under

3 subsection 1 of section 86.253 if the member has attained the age of fifty-five or completed
4 twenty years of creditable service; otherwise the member shall receive a nonduty disability
5 retirement allowance which shall be equal to ninety percent of the member's accrued service
6 retirement in section 86.253, but not less than one-fourth of the member's average final
7 compensation; provided, however, that no such allowance shall exceed ninety percent of the
8 member's accrued service retirement benefit based on continuation of the member's creditable
9 service to the age set out in section 86.250. **To the extent a member receiving a service**
10 **retirement allowance is gainfully employed, a proportionate offset shall apply against any**
11 **allowance received if the sum of the member's current salary plus allowance equals an**
12 **amount in excess of one hundred twenty-five percent of the member's current salary.**

13 2. Effective October 1, 1999, the nonduty disability retirement allowance will be
14 increased by fifteen percent of the member's average final compensation for each unmarried
15 dependent child of the disabled member who is under the age of eighteen, or who, regardless of
16 age, is totally and permanently mentally or physically disabled and incapacitated from engaging
17 in gainful occupation sufficient to support himself or herself.

18 3. Any member receiving benefits pursuant to the provisions of this section immediately
19 prior to October 1, 1999, shall upon application to the board of trustees be made, constituted,
20 appointed and employed by the board of trustees as a special consultant on the problems of
21 retirement, aging and other matters while the member is receiving such benefits, and upon
22 request of the board of trustees shall give opinions in writing or orally in response to such
23 requests as may be required. Beginning October 1, 1999, for such services as may be required,
24 there shall be payable an additional monthly compensation of one hundred dollars or five percent
25 of the member's average final compensation, whichever is greater, for each unmarried dependent
26 child of the member.

27 4. Any benefit payable to or for the benefit of a child or children under the age of
28 eighteen years pursuant to the provisions of subsections 2 and 3 of this section shall continue to
29 be paid beyond the age of eighteen years through the age of twenty-two years in those cases
30 where the child is a full-time student at a regularly accredited college, business school, nursing
31 school, school for technical or vocational training, or university, but such extended benefit shall
32 cease whenever the child ceases to be a student. A college or university shall be deemed to be
33 regularly accredited which maintains membership in good standing in a national or regional
34 accrediting agency recognized by any state college or university.

35 5. No benefits pursuant to this section shall be paid to a child over eighteen years of age
36 who is totally and permanently disabled if such child is a patient or resident of a public-supported
37 institution, nor shall such benefits be paid unless such disability occurred prior to such child
38 reaching the age of eighteen.

86.290. **Except in the case of a member who commenced employment on or after**
2 **October 1, 2017, who is not vested under section 86.354,** should a member cease to be a
3 policeman except by death or actual retirement, the member may request payment of the amount
4 of the accumulated contributions standing to the credit of the member's individual account,
5 including members' interest, in which event such amount shall be paid to the member not later
6 than one year after the member ceases to be a policeman. If the former member is reemployed
7 as a policeman before any portion of such former member's accumulated contributions is
8 distributed, no distribution shall be made. If the former member is reemployed as a policeman
9 after a portion of the former member's accumulated contributions is distributed, the amount
10 remaining shall also be distributed.

86.320. 1. The board of trustees shall certify to the chief of police who shall cause to
2 be deducted, **prior to taxation,** from the salary of each member on each and every payroll for
3 each and every pay period, ~~[seven]~~ **eight** percent of the compensation of each member who is
4 not participating in the DROP, including each member whose participation in the DROP has
5 ended and who has returned to active participation in the system pursuant to section 86.251, and
6 zero percent of the compensation of each member who is participating in the DROP or whose
7 participation in the DROP has ended but who has not returned to active participation in the
8 system pursuant to section 86.251.

9 2. The deductions provided for in this section shall be made notwithstanding that the
10 minimum compensation provided by law for any member shall be reduced thereby. Every
11 member shall be deemed to consent to the deductions made and provided for in this section, and
12 shall receipt for the member's full salary or compensation and payment of salary or compensation
13 less such deduction shall be a full and complete discharge and acquittance of all claims and
14 demands whatsoever for services rendered during the period covered by the payment except as
15 to benefits provided by sections 86.200 to 86.366. The chief of police shall certify to the board
16 of trustees on each and every payroll or in such other manner as the board of trustees shall
17 prescribe the amount deducted, and such amounts shall be paid into the system and shall be
18 credited together with members' interest thereon to the individual account of the member from
19 whose compensation such deduction was made.

20 3. The board of trustees is authorized to grant additional benefits for such parts of
21 contributions as were made prior to the adoption of the seven-percent rate for all members which
22 were in excess of the compulsory contributions required of each member.

86.330. 1. After each annual valuation, the actuary engaged by the board to make the
2 valuation required by sections 86.200 to 86.366, shall determine the normal contribution rate.
3 The normal contribution rate shall be the rate percent of the earnable compensation of all
4 members obtained by deducting from the total liabilities of the retirement system the amount of

5 the assets in hand to the credit of the retirement system and the present value of expected future
6 member contributions and dividing the remainder by one percent of the present value of the
7 prospective future compensation of all members as computed on the basis of mortality and
8 service tables and interest assumptions adopted by the board of trustees.

9 **2. Notwithstanding the provisions of subsection 1 of this section, if a city not within**
10 **a county adopts an ordinance as described in subsection 2 of section 86.344, then, after the**
11 **effective date of such ordinance, for each annual valuation for the first of the plan years**
12 **beginning with the plan of such adoption and each subsequent year, the actuary engaged**
13 **by the board to make the valuation required by sections 86.200 to 86.366 shall determine**
14 **the normal cost for such year using the entry age normal actuarial cost method as provided**
15 **herein. Under the entry age normal actuarial cost method, the actuarial present value of**
16 **the projected benefits of each individual included in an actuarial valuation is allocated on**
17 **a level basis over the service of the individual between entry age and assumed exit ages.**
18 **The portion of this actuarial present value allocated to a valuation year is called the**
19 **"normal cost".**

86.333. 1. At the first valuation after the effective date of these amendments the actuary
2 engaged by the board of trustees shall compute the rate percent of the total earnable
3 compensation of all members which is equivalent to four percent of the amount of the total
4 unfunded benefit liability on account of all members and beneficiaries which is not dischargeable
5 by the aforesaid normal contribution made on account of such members during the remainder of
6 their active service. The rate percent originally so determined shall be known as "the accrued
7 liability contribution rate".

8 **2. (1) Notwithstanding the provisions of subsection 1 of this section, if a city not**
9 **within a county adopts an ordinance as described in subsection 2 of section 86.344, then,**
10 **after each annual valuation for plan years beginning the year of such adoption, the actuary**
11 **engaged by the board to make the valuation required by sections 86.200 to 86.366 shall**
12 **determine the actuarial accrued liability under the entry age normal actuarial cost method.**
13 **Under the entry age normal actuarial cost method, the actuarial present value of the**
14 **projected benefits of each individual included in an actuarial valuation is allocated on a**
15 **level basis over the service of the individual between entry age and assumed exit ages. The**
16 **portion of this actuarial present value not provided for at a valuation date by the actuarial**
17 **present value of future normal costs is called the "actuarial accrued liability".**

18 **(2) The actuary shall determine the initial unfunded actuarial accrued liability as**
19 **the amount by which the actuarial accrued liability exceeds the actuarial value of the assets**
20 **of the retirement system. The amortization payment for the initial unfunded actuarial**
21 **accrued liability as of October 1, 2017, will be determined as a level percentage of salary**

22 **for a twenty-year period. The amortization period for subsequent years for the initial**
23 **unfunded accrued liability will decline by one year for each of the next twenty years. Any**
24 **changes in the unfunded accrued liability that result from experience gains and losses,**
25 **changes in actuarial assumptions, and changes in plan benefits for plan years beginning**
26 **on and after October 1, 2017, will be amortized in accordance with policies and procedures**
27 **adopted by the board. Such policies shall include the period of amortization and pattern**
28 **of payments; provided that, the period of amortization is no more than thirty years. Other**
29 **than the initial unfunded liability, the board may combine amortization periods in the**
30 **interest of efficiency if the effect upon the contribution calculation is not considered**
31 **material. Such policies adopted by the board shall be based on the advice of the system's**
32 **actuary and shall comply with all applicable actuarial standards of practice.**

86.337. 1. The total amount payable to the retirement system for each fiscal year shall
2 be not less than the normal contribution rate of the total compensation earnable by all members
3 during the year; provided, however, that the aggregate payment by the said cities shall be
4 sufficient when combined with the assets of the retirement system to provide the pensions and
5 other benefits payable during the then current year.

6 **2. Notwithstanding the provisions of subsection 1 of this section, if a city not within**
7 **a county adopts an ordinance as described in subsection 2 of section 86.344, then the total**
8 **amount payable to the retirement system for each plan year beginning on or after October**
9 **first of the year of the adoption of such ordinance shall be not less than the greater of the**
10 **following:**

11 **(1) The sum of:**

12 **(a) The normal cost determined under section 86.330; and**

13 **(b) The accrued liability contribution determined under section 86.333; or**

14 **(2) The amount, when combined with the assets of the retirement system, required**
15 **to provide the pensions and other benefits payable during the then current plan year.**

86.344. 1. On or before the first day of March of each year the board of trustees shall
2 certify to the board of estimate and apportionment of the city the amounts which will become due
3 and payable during the year next following for expenses pursuant to subsection 2 of section
4 86.343 and the cost of benefits as determined pursuant to section 86.337. The amounts so
5 certified shall be appropriated by the city and transferred to the retirement system in equal
6 payments in the first six months of the ensuing year.

7 **2. The city may change the actuarial formula by which such amounts are calculated**
8 **to the entry age normal method. The city may adopt an ordinance authorizing the change**
9 **to the entry age normal method, which ordinance shall include the city's expressed**
10 **acknowledgment that the benefit calculation formula change is undertaken voluntarily and**

11 **not under compulsion by the state of Missouri, so that the conversion does not implicate**
12 **the provisions of article X, sections 16 to 23 of the Constitution of Missouri. If either the**
13 **provisions of this subsection or the city's adoption of entry age normal is determined by**
14 **a final judgment of a court of competent jurisdiction to violate article X, sections 16 to 23**
15 **of the Constitution of Missouri, then this subsection and subsection 2 of section 86.330,**
16 **subsection 2 of section 86.333, and subsection 2 of section 86.337 referencing this**
17 **subsection shall be null and void, the method of calculation shall revert to the method used**
18 **before the adoption of this subsection, and the board of trustees shall certify to the board**
19 **of estimate and apportionment of the city the amounts that will become due and payable**
20 **during the year based upon the formula described in subsection 1 of section 86.330,**
21 **subsection 1 of section 86.333, and subsection 1 of section 86.337.**

86.354. 1. A member's benefit shall be one hundred percent vested and nonforfeitable
2 upon the first of the following to occur:
3 (1) The member's attainment of age fifty-five, the normal retirement age; or
4 (2) The member's completion of ~~twenty~~ ten years of creditable service regardless of
5 age; or
6 (3) The termination of the plan established pursuant to sections 86.200 to 86.366, to the
7 extent the plan is funded.

8
9 Forfeitures of any nature under such plan shall not be used to increase the benefits of any
10 member, but shall be used to reduce the city's contributions pursuant to section 86.243.

11 **2. Any member who is one hundred percent vested, has attained the age of fifty-**
12 **five, and has completed twenty years of creditable service is eligible for retirement at any**
13 **age. Any member who is one hundred percent vested, but has not attained the age of fifty-**
14 **five, and who has served less than twenty years of creditable service shall defer his or her**
15 **receipt of retirement benefits until the age of fifty-five.**

16 **3. Notwithstanding subsection 1 of this section, any member who commenced**
17 **employment on or after October 1, 2017, shall complete ten years of creditable service and**
18 **attain the age of fifty-five before he or she shall become one hundred percent vested and**
19 **nonforfeitable.**

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