

SECOND REGULAR SESSION

HOUSE BILL NO. 1899

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DUGGER.

3642L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 86, RSMo, by adding thereto fifteen new sections relating to law enforcement retirement.

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

Section A. Chapter 86, RSMo, is amended by adding thereto fifteen new sections, to be
2 known as sections 86.1700, 86.1702, 86.1704, 86.1706, 86.1708, 86.1710, 86.1712, 86.1714,
3 86.1716, 86.1718, 86.1722, 86.1724, 86.1726, 86.1728, and 488.028, to read as follows:

**86.1700. As used in sections 86.1700 to 86.1728, unless the context clearly indicates
2 that a different meaning is intended, the following terms shall mean:**

3 (1) "Annuity", annual payments made in equal monthly installments to a member
4 from funds provided for, in, or authorized by sections 86.1700 to 86.1728;

5 (2) "Board of directors" or "board", the board of directors established in sections
6 86.1700 to 86.1728;

7 (3) "Creditable service", the sum of both membership service and prior service;

8 (4) "Employee", any police chief or police officer of a municipal police department
9 in this state, except a police chief or police officer employed by the police department of
10 any city not within a county or the police department of any home rule city with more than
11 four hundred thousand inhabitants and located in more than one county;

12 (5) "Member and eligible members", any active police chief or police officer of the
13 system; any former police chief or police officer receiving retirement benefits from the
14 system; any police chief or police officer on disability leave; and for the purposes of section
15 86.1708, any police chief or police officer who is employed full time by an eligible
16 municipality;

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.

17 (6) "Membership service", service as a police chief or police officer of an eligible
18 municipality after becoming a member that is creditable in determining the amount of the
19 member's benefits under the system;

20 (7) "Municipality or eligible municipality", each municipal police department in
21 this state, except a police department in any city not within a county or a police department
22 of a home rule city with more than four hundred thousand inhabitants and located in more
23 than one county;

24 (8) "Prior service", creditable service of a member rendered prior to August 28,
25 2010;

26 (9) "Retirement system" or "system", the police chief's and officer's annuity system
27 authorized by sections 86.1700 to 86.1728.

 86.1702. There is hereby established a "Police Chiefs' and Officers' Retirement
2 Fund" which shall be under the management of a board of directors described in section
3 86.1706. The board of directors shall be responsible for the administration and the
4 investment of the funds of such retirement fund. Neither the general assembly nor the
5 governing body of a county shall appropriate funds for deposit in the retirement fund. If
6 insufficient funds are generated to provide the benefits payable under the provisions of
7 sections 86.1700 to 86.1728, the board shall proportion the benefits according to the funds
8 available.

 86.1704. 1. Beginning August 28, 2010, the following surcharge for police chiefs
2 and police officers shall be collected and paid as follows:

3 (1) There shall be assessed and collected a surcharge of two dollars in all criminal
4 cases filed in the courts of this state including violation of any county or municipal
5 ordinance, or any violation of criminal or traffic laws of this state, including infractions,
6 but no such surcharge shall be assessed when the costs are waived or are to be paid by the
7 state, county, or municipality or when a criminal proceeding or the defendant has been
8 dismissed by the court or against any person who has pled guilty and paid their fine under
9 subsection 4 of section 476.385;

10 (2) The clerk responsible for collecting court costs in municipal criminal cases shall
11 collect and disburse such amounts as provided by sections 488.010 to 488.026. Such funds
12 shall be payable to the police chiefs' and officers' retirement fund created under section
13 86.1702, and shall be used only for the purposes provided for in sections 86.1700 to 86.1728
14 and for no other purpose.

15 2. The board may accept gifts, donations, grants, and bequests from public or
16 private sources to the police chiefs' and officers' retirement fund.

1 **86.1706. 1. The general administration and the responsibility for the proper**
2 **operation of the fund and the investment of the fund are vested in a board of directors of**
3 **five persons. Three directors shall be either elected or appointed chiefs of police who are**
4 **members of the Missouri police chiefs' association and two of the directors shall be**
5 **appointed full-time municipal police officers who are members of a state fraternal order**
6 **of police. The three police chief directors shall be elected by a secret ballot vote of the**
7 **police chiefs of the municipalities. The two police officer directors shall be elected by a**
8 **secret ballot vote of police officers under the rank of chief. Directors shall be chosen for**
9 **terms of four years from the first day of January; except that the members of the first**
10 **board shall be appointed by the governor by and with the consent of the senate. Upon**
11 **completion of the appointment of the board, the governor shall declare the system**
12 **established. It shall be the responsibility of the initial board to establish procedures for the**
13 **conduct of future elections of trustees and such procedures shall be approved by a majority**
14 **vote by secret ballot of the police chiefs and officers of all eligible municipalities. The**
15 **board shall have all powers and duties that are necessary and proper to enable it, its**
16 **officers, employees, and agents to fully and effectively carry out all the purposes of sections**
17 **86.1700 to 86.1728.**

18 **2. The board of directors shall elect one of their members as chair and one of their**
19 **members as vice chair and may employ an administrator who shall serve as secretary to**
20 **the board. The board shall hold regular meetings at least once each quarter. Other**
21 **meetings may be called as necessary by the chair. Notice of such meetings shall be given**
22 **in accordance with chapter 610.**

23 **3. The board of directors shall retain an actuary as technical advisor to the board**
24 **of directors. The board of directors shall arrange for annual audits by a certified public**
25 **accountant.**

26 **4. The board of directors shall serve without compensation for their services as**
27 **such; except that each director shall be paid for any necessary expenses incurred in the**
28 **performance of duties authorized by the board.**

29 **5. The board of directors shall be allowed administrative costs for the operation of**
30 **the system.**

31 **6. The board shall keep a record of its proceedings which shall be open to public**
32 **inspection and shall annually prepare a report showing the financial condition of the**
33 **system. The report shall contain, but not be limited to, an auditor's opinion, financial**
34 **statements prepared in accordance with generally accepted accounting principles, an**
35 **actuary's certification along with actuarial assumptions, and financial solvency tests.**

36 **7. Notwithstanding any other provisions of law to the contrary, after the expiration**
37 **of the terms of the board of trustees or directors holding office on January 1, 2011, the**
38 **directors elected as successors to those directors holding office on January 1, 2011, shall**
39 **be elected to staggered terms of four years each in the following manner: two directors**
40 **shall be elected for a two-year term with their successors being elected to four-year terms**
41 **and three directors shall be elected for a four-year term. The procedures for such elections**
42 **and the designation of which terms will initially be two-year terms and which will be four-**
43 **year terms shall be established solely by the board of directors of the police chiefs' and**
44 **officers' retirement system. Three directors shall be elected by a secret ballot vote of the**
45 **active and eligible police chiefs and two directors shall be elected by a secret vote of the**
46 **active and eligible police officers with a rank less than chief. Beginning with the election**
47 **of directors under the provisions of this subsection, at least one but not more than two of**
48 **the directors may be a retired member of the police chiefs' and officers' retirement system;**
49 **except that any vacancies occurring on the board after all members have been duly elected**
50 **shall be filled by the board and such appointed members shall serve until the next**
51 **regularly scheduled election for such filled position.**

52 **8. Notwithstanding any provision of law to the contrary, any board member who**
53 **was elected to the board as an active member representative and becomes a retired**
54 **member of the system after such election shall, with the approval of the board, continue**
55 **to serve on the board as an active member representative until the next regularly scheduled**
56 **election for that position.**

86.1708. On and after August 28, 2010, as an incident to his or her employment or
2 **continued employment, each person employed full time as an elected marshal or chief of**
3 **police, appointed chief of police, or police officer of a municipality shall become a member**
4 **of the system, with the exception of police chiefs and police officers of any city not within**
5 **a county or any home rule city with more than four hundred thousand inhabitants and**
6 **located in more than one county. Such membership shall continue as long as the person**
7 **continues to be an employee in a municipal police department or receives or is eligible to**
8 **receive benefits under the provisions of sections 86.1700 to 86.1728.**

86.1710. Any member who has attained the age of fifty-five years and who has
2 **fifteen years or more of creditable service as police chief or police officer of an eligible**
3 **municipality may retire with a normal annuity. Any member who has attained the age of**
4 **sixty-two years and who has at least ten years of creditable service as an eligible police**
5 **chief or officer of an eligible municipality may retire with a normal annuity.**

86.1712. The normal annuity of a retired member shall be one thousand dollars per
2 **month. The monthly payments are at the discretion of the board on the advice of the**

3 actuary. The anticipated sum of all such payments during the year plus the annual normal
4 cost plus the annual amount to amortize the unfunded actuarial accrued liability in no
5 more than thirty years shall not exceed the anticipated moneys credited to the system
6 under section 86.1704. The money amount granted shall not be continued to any survivor.

2 **86.1714.** For the purpose of calculating benefits of a member, years of service as an
employee and twelfths of a year are to be used.

2 **86.1716.** Any eligible police chief or officer who becomes a member of the system
on August 28, 2010, shall be given credit for eligible prior service up to five years if the
3 member is forty-five years of age or older. All such prior service must be established to the
4 satisfaction of the board.

2 **86.1718.** Any member may retire at any time after the end of the month during
which the member becomes eligible to retire under the provisions of section 86.1710 and
3 upon the member's submission of a written application to the board setting forth at what
4 time, not less than thirty days nor more than ninety days subsequent to the execution and
5 filing of the application, the member desires to be retired. The payment of the annuity,
6 subject to the provisions of section 86.1728, shall begin as of the first day of the calendar
7 month coincident with or next following the date specified by the member.

2 **86.1722. 1.** Upon termination of employment, any member with ten or more years
of creditable service shall be entitled to a deferred normal annuity, payable at age fifty-five
3 with fifteen or more years of creditable service and payable at age sixty-two with less than
4 twelve years of creditable service. Any member with less than ten years of creditable
5 service shall forfeit all rights in the fund, including the member accrued creditable service
6 as of the date of the member's termination of employment. Monthly benefit shall be one
7 thousand dollars multiplied by a fraction, the numerator of which is the member's
8 creditable service and the denominator of which is the creditable service the vested
9 terminated member would have had the member continued employment to the normal
10 retirement date.

11 **2.** A former member who has forfeited creditable service may have the creditable
12 service restored by again becoming an employee and completing four years of continuous
13 membership service.

14 **3.** Absences for sickness or injury of less than twelve months shall be counted as
15 membership service.

2 **86.1724. 1.** Any annuity, benefit, fund, property, or right created by or accruing
to any person under the provisions of sections 86.1700 to 86.1728:

3 (1) Are hereby made and declared exempt from any tax of the state of Missouri or
4 any political subdivision or taxing body thereof;

5 (2) Shall not be subject to execution, garnishment, attachment, writ of
6 sequestration, or any other process or claim whatsoever; and

7 (3) Shall not be assignable.

8 2. No alteration, amendment, or repeal of the provisions of sections 86.1700 to
9 86.1728 shall affect the then existing rights of members and beneficiaries but shall be
10 effective only as to rights which would otherwise accrue hereunder as a result of services
11 rendered by an employee after such alteration, amendment, or repeal.

 86.1726. The benefits provided for by sections 86.1700 to 86.1728 shall in no way
2 affect any person's eligibility for retirement benefits under the local government
3 employees' retirement system under sections 70.600 to 70.755, or any other local
4 government retirement or pension system, or in any way have the effect of reducing
5 retirement benefits in such systems, or reducing compensation or mileage reimbursement
6 of employees.

 86.1728. Annuity payments to retired employees under the provisions of sections
2 86.1700 to 86.1728 shall be available beginning January first next succeeding the expiration
3 of four calendar years from the effective date of the establishment of the system to eligible
4 retired employees. Employees with at least ten years of creditable service shall have vested
5 rights, and upon reaching the required age, shall be entitled to retirement benefits.

 488.028. As provided by section 86.1704, there shall be assessed and collected a
2 surcharge of two dollars in all municipal criminal cases filed in the courts of this state,
3 including violations of any county ordinance or any violation of criminal or traffic laws of
4 this state, including infractions, but no such surcharge shall be assessed when the costs are
5 waived or are to be paid by the state, county, or municipality or when a criminal
6 proceeding or the defendant has been dismissed by the court or against any person who has
7 pled guilty and paid their fine pursuant to subsection 4 of section 476.385. The clerk
8 responsible for collecting court costs in criminal cases shall collect and disburse such
9 amounts as provided by sections 488.010 to 488.020. Such funds shall be payable to the
10 police chiefs' and officers' annuity fund created under section 86.1702.

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