

FIRST REGULAR SESSION

# HOUSE BILL NO. 1272

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE LEARA.

2615H.021

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 86.207 and 95.540, RSMo, and to enact in lieu thereof three new sections relating to local government retirement systems, with an emergency clause.

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

Section A. Sections 86.207 and 95.540, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 86.207, 86.362, and 95.540, to read as follows:

86.207. 1. **Except as provided herein**, all persons who become policemen and all policemen who enter or reenter the service of [the] **any city not within a county** after the first day of October, 1957, become members as a condition of their employment and shall receive no pensions or retirement allowance from any other pension or retirement system supported wholly or in part by the city **not within a county** or the state of Missouri, nor shall they be required to make contributions under any other pension or retirement system of the city **not within a county** or the state of Missouri **for the same period of service**, anything to the contrary notwithstanding. **Any employee of a city not within a county who is earning creditable service in a retirement plan established by said city under section 95.9540 and subsequently becomes a policeman may elect to remain a member of said retirement plan and shall not be required to become a member of a police retirement system established under section 86.200. However, an employee of a city not within a county who is earning creditable service in a retirement plan established by said city under section 95.9540 and who subsequently becomes a policeman may elect to transfer membership and creditable service to the police retirement system created under section 86.200. Such transfers are subject to the conditions and requirements contained in section 105.691 and are also subject to any existing agreements between the said retirement plans, but without regard to the vesting**

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.

18 **requirements of the receiving plan, as that term is defined in section 105.691. As part of**  
19 **the transfer process described herein, the respective retirement plans may require the**  
20 **employee to acknowledge and agree as a condition of transfer that any election made under**  
21 **this section is irrevocable, constitutes a waiver of any right to receive retirement and**  
22 **disability benefits except as provided by the police retirement system, and that plan terms**  
23 **may be modified in the future.**

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

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

**86.362. 1. Notwithstanding any provision of law to the contrary, employees of the**  
2 **employees retirement system of the city of St. Louis who are earning creditable service in**  
3 **the employees retirement system of the city of St. Louis and who are transferred to the St.**  
4 **Louis metropolitan police department as policemen shall elect within ninety days of the**  
5 **effective date of this section to either remain a member of the employees retirement system**  
6 **of the city of St. Louis or transfer membership and creditable service to the police**  
7 **retirement system of St. Louis. The election shall be made in writing after the employee has**  
8 **received a detailed analysis comparing retirement, life insurance, disability benefits, and**  
9 **medical benefits of a member of the employees retirement system of the city of St. Louis**  
10 **with the corresponding benefits provided a member of the police retirement system of St.**  
11 **Louis. The employees retirement system of the city of St. Louis and the police retirement**  
12 **system of St. Louis shall work together to provide the detailed analysis under this**  
13 **subsection, ensure that affected members receive such analysis, and design appropriate**  
14 **forms for plan membership election. In electing plan membership, the employee shall**  
15 **acknowledge and agree that an election made under this subsection is irrevocable and**  
16 **constitutes a waiver to receive retirement, life insurance, disability benefits, and medical**  
17 **benefits except as provided by the system elected by the employee. Furthermore, in**

18 **connection with the election, the employee shall be required to acknowledge that the**  
19 **benefits provided by virtue of membership in either system, and any associated costs to the**  
20 **employee, may be different now or in the future as a result of the election and that the**  
21 **employee agrees to hold both systems harmless with regard to benefit differences resulting**  
22 **from the election.**

23 **2. The employees retirement system of the city of St. Louis shall pay to the police**  
24 **retirement system of St. Louis an amount actuarially determined to equal the liability at**  
25 **the time of the transfer for any employee who elects under subsection 1 of this section to**  
26 **transfer to the police retirement system of St. Louis, to the extent that liability is funded**  
27 **as of the most recent actuarial valuation and based on the actuarial value of assets not to**  
28 **exceed one hundred percent. Such transfer shall be made within sixty days of the**  
29 **employee's election.**

30 **3. In no event shall any employee receive service credit for the same period of**  
31 **service under more than one retirement system as a result of the provisions of this section.**

32 **4. The provisions of this section shall not be effective until a corresponding**  
33 **authorizing ordinance is passed by the board of aldermen with the city of St. Louis.**

95.540. 1. The following words and phrases as used in this section, unless a different  
2 meaning is plainly required by the context, shall mean:

3 (1) "Employee", any person regularly employed by any city, within the authorization of  
4 this section, who receives remuneration from the city for personal services rendered the city. The  
5 term "employee" shall not include any person:

6 (a) Who is included as an active member in any other pension plan similar in purpose  
7 by reason of his employment with the city, except the federal Social Security Old Age, Survivors,  
8 and Disability Insurance Program, as amended; or

9 (b) Who acts for the city under contracts or is paid wholly on a fee basis; or

10 (c) Who is a city officer or elected official of the city as defined in this section; or

11 (d) Who is employed by the city as a "fireman" or "policeman";

12 (2) "Officer", any officer or elected official of the city who has been delegated some  
13 substantial part of the sovereign power to be independently exercised with some continuity and  
14 without control of a superior power other than the law;

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16 **except that any employee earning creditable service in the pension plan adopted under**  
17 **subsection 2 of this section who is transferred to the St. Louis metropolitan police**  
18 **department as a policeman and elects to remain in the pension plan adopted under**  
19 **subsection 2 of this section as provided in section 86.362 shall be considered an employee**

20 **in the plan for purposes of retirement, life insurance, disability benefits, and medical**  
21 **benefits.**

22           2. Any city of this state that now has or may hereafter have a population of more than  
23 four hundred and fifty thousand inhabitants is hereby authorized to provide by ordinance or  
24 otherwise for the pensioning of its employees and officers, in one or more plans, whether  
25 performing city or county functions, and the widows and minor children of deceased employees  
26 and officers and to appropriate and utilize its municipal revenues and other available funds for  
27 such purposes.

28           3. The employees and officers of any municipally owned public utility may be included  
29 within the provisions of any pension plan adopted in pursuance of subsection 2, but the cost of  
30 paying pensions to such employees and officers and the widows and minor children thereof, as  
31 well as its pro rata share of the expenses of administration and the operation of the pension  
32 system, as a whole, shall be borne by the funds or revenues of such municipally owned public  
33 utility.

34           4. The employees and officers of any administrative board or board of control organized  
35 and existing under the general laws of the state of Missouri for the purpose of furnishing library  
36 services or maintaining and operating an art museum or a zoological park or similar public  
37 service to the inhabitants of such city may be included within the provisions of any pension plan  
38 adopted in pursuance of subsection 2, but the cost of paying pensions to such employees and  
39 officers and widows and minor children thereof, as well as their pro rata share of the expenses  
40 of administration and the operation of the pension system, as a whole, shall be borne by the funds  
41 or revenues of such administrative board or board of control; provided, however, that the  
42 employees and officers of any such board or board of control shall not be included in any such  
43 pension plan unless the ordinance of such city providing for the inclusion of such employees and  
44 officers shall be accepted by resolution of such administrative board or board of control.

          Section B. Because of the need to maintain continuity of retirement benefits, this act is  
2 deemed necessary for the immediate preservation of the public health, welfare, peace, and safety,  
3 and is hereby declared to be an emergency act within the meaning of the constitution, and this  
4 act shall be in full force and effect upon its passage and approval.

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