

HB 897 -- Police Retirement System of St. Louis

Sponsor: Leara

This bill changes the laws regarding the Police Retirement System of St. Louis. In its main provisions, the bill:

(1) Specifies that the final average compensation for new members hired on or after October 1, 2013, including a surviving spouse or surviving dependent child, will be calculated by averaging the earnable compensation during the member's last three years of creditable service as a police officer or if the member has less than three years of service, the average compensation of the entire period of creditable service;

(2) Defines "medical board" as a board of three physicians of different disciplines appointed by the trustees of the police retirement board who are responsible for arranging and passing all medical examinations required to determine disability retirement eligibility;

(3) Specifies that any member beginning employment after October 1, 2013, will earn interest as allowed at the rate of return earned by the 10-year United States treasury bill as of September 30 of each year plus 1%, but not to exceed a cumulative rate of 6% percent. Prior members will have a one-time option to opt in;

(4) Changes the creditable service requirements for members ceasing to be in service for more than one year from 20 years to 25 years;

(5) Requires a new member to complete 25 years of creditable service and be at least 50 years of age to be eligible for full service retirement benefits. Members at least 45 years of age with 25 years of creditable service may receive a reduced benefit;

(6) Prohibits cost-of-living increases from exceeding a total percentage increase of 25% for new members;

(7) Specifies that a new member or his or her eligible spouse will receive only a percentage of the mandatory contributions made, based on his or her amount of service, if they terminate employment with less than five years of service. Members with at least five but less than 25 years of credible service will receive a full refund of contributions plus interest;

(8) Modifies the eligibility requirements for disability retirement;

(9) Specifies that a new member will contribute 9% of his or her compensation, with a 50% lump sum return of contributions upon retirement; and

(10) Allows the city to adopt an ordinance changing the actuarial valuation calculation as defined in the bill.