

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 865**  
**99TH GENERAL ASSEMBLY**

1811H.02C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 70.600, 70.605, 70.610, 70.615, 70.630, 70.730, 86.200, 86.207, 86.210, 86.253, 86.267, 86.290, and 86.360, RSMo, and to enact in lieu thereof fifteen new sections relating to public employee retirement systems, with an emergency clause for a certain section.

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

Section A. Sections 70.600, 70.605, 70.610, 70.615, 70.630, 70.730, 86.200, 86.207, 2 86.210, 86.253, 86.267, 86.290, and 86.360, RSMo, are repealed and fifteen new sections 3 enacted in lieu thereof, to be known as sections 70.600, 70.605, 70.610, 70.615, 70.630, 70.631, 4 70.730, 86.200, 86.207, 86.210, 86.253, 86.267, 86.290, 86.360, and 104.1092, to read as 5 follows:

70.600. The following words and phrases as used in sections 70.600 to 70.755, unless 2 a different meaning is plainly required by the context, shall mean:

- 3 (1) "Accumulated contributions", the total of all amounts deducted from the 4 compensations of a member and standing to the member's credit in his or her individual account 5 in the members deposit fund, together with investment credits thereon;
- 6 (2) "Actuarial equivalent", a benefit of equal reserve value;
- 7 (3) "Allowance", the total of the annuity and the pension. All allowances shall be paid 8 not later than the tenth day of each calendar month;
- 9 (4) "Annuity", a monthly amount derived from the accumulated contributions of a 10 member and payable by the system throughout the life of a person or for a temporary period;
- 11 (5) "Beneficiary", any person who is receiving or designated to receive a system benefit, 12 except a retirant;

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 (6) "Benefit program", a schedule of benefits or benefit formulas from which the  
14 amounts of system benefits can be determined;

15 (7) "Board of trustees" or "board", the board of trustees of the system;

16 (8) "Compensation", the remuneration paid an employee by a political subdivision or by  
17 an elected fee official of the political subdivision for personal services rendered by the employee  
18 for the political subdivision or for the elected fee official in the employee's public capacity;  
19 provided, that for an elected fee official, "compensation" means that portion of his or her fees  
20 which is net after deduction of (a) compensation paid by such elected fee official to his or her  
21 office employees, if any, and (b) the ordinary and necessary expenses paid by such elected fee  
22 official and attributable to the operation of his or her office. In cases where an employee's  
23 compensation is not all paid in money, the political subdivision shall fix the reasonable value of  
24 the employee's compensation not paid in money. In determining compensation no consideration  
25 shall be given to:

26 (a) Any nonrecurring single sum payment paid by an employer;

27 (b) Employer contributions to any employee benefit plan or trust;

28 (c) Any other unusual or nonrecurring remuneration; or

29 (d) Compensation in excess of the limitations set forth in Internal Revenue Code Section  
30 401(a)(17). The limitation on compensation for eligible employees shall not be less than the  
31 amount which was allowed to be taken into account under the system as in effect on July 1, 1993.  
32 For purposes of this paragraph, an "eligible employee" is an individual who was a member of the  
33 system before the first plan year beginning after December 31, 1995;

34 (9) "Credited service", the total of a member's prior service and membership service, to  
35 the extent such service is standing to the member's credit as provided in sections 70.600 to  
36 70.755;

37 (10) "Employee", any person regularly employed by a political subdivision who receives  
38 compensation from the political subdivision for personal services rendered the political  
39 subdivision, including any elected official of the political subdivision whose position requires  
40 his or her regular personal services and who is compensated wholly or in part on a fee basis, and  
41 including the employees of such elected fee officials who may be compensated by such elected  
42 fee officials. The term "employee" may include any elected county official. The term  
43 "employee" shall not include any person:

44 (a) Who is not an elected official of the political subdivision and who is included as an  
45 active member in any other plan similar in purpose to this system by reason of his or her  
46 employment with his or her political subdivision, except the federal Social Security Old Age,  
47 Survivors, and Disability Insurance Program, as amended; or

48 (b) Who acts for the political subdivision under contract; or

49 (c) Who is paid wholly on a fee basis, except elected officials and their employees; or

50 (d) Who holds the position of mayor, presiding judge, president or chairman of the  
51 political subdivision or is a member of the governing body of the political subdivision; except  
52 that, such an official of a political subdivision having ten or more other employees may become  
53 a member if the official is covered under the federal Social Security Old Age, Survivors, and  
54 Disability Insurance Program, as amended, by reason of such official's employment with his or  
55 her political subdivision, by filing written application for membership with the board after the  
56 date the official qualifies for such position or within thirty days after the date his or her political  
57 subdivision becomes an employer, whichever date is later;

58 (11) "Employer", any political subdivision which has elected to have all its eligible  
59 employees covered by the system;

60 (12) "Final average salary", the monthly average of the compensations paid an employee  
61 during the period of sixty or, if an election has been made in accordance with section 70.656,  
62 thirty-six consecutive months of credited service producing the highest monthly average, which  
63 period is contained within the period of one hundred twenty consecutive months of credited  
64 service immediately preceding his or her termination of membership. Should a member have  
65 less than sixty or, if an election has been made in accordance with section 70.656, thirty-six  
66 months of credited service, "final average salary" means the monthly average of compensation  
67 paid the member during his or her total months of credited service;

68 (13) "[~~Fireman~~] **Firefighter**", any regular or permanent employee of the fire department  
69 of a political subdivision, including a probationary [~~fireman~~] **firefighter**. The term "[~~fireman~~]  
70 **firefighter**" shall not include:

71 (a) Any volunteer [~~fireman~~] **firefighter**; [~~or~~]

72 (b) Any civilian employee of a fire department, **except as provided in section 70.631**;  
73 or

74 (c) Any person temporarily employed as a [~~fireman~~] **firefighter** for an emergency;

75 (14) "Member", any employee included in the membership of the system;

76 (15) "Membership service", employment as an employee with the political subdivision  
77 from and after the date such political subdivision becomes an employer, which employment is  
78 creditable as service hereunder;

79 (16) "Minimum service retirement age", age sixty for a member who is neither a  
80 [~~policeman~~] **police officer** nor a [~~fireman~~] **firefighter**; "minimum service retirement age", age  
81 fifty-five for a member who is a [~~policeman~~] **police officer** or a [~~fireman~~] **firefighter**;

82 (17) "Pension", a monthly amount derived from contributions of an employer and  
83 payable by the system throughout the life of a person or for a temporary period;

84 (18) "~~[Policeman]~~ **Police officer**", any regular or permanent employee of the police  
85 department of a political subdivision, including a probationary ~~[policeman]~~ **police officer**. The  
86 term "~~[policeman]~~ **police officer**" shall not include:

87 (a) Any civilian employee of a police department, **except as provided in section 70.631**;  
88 or

89 (b) Any person temporarily employed as a ~~[policeman]~~ **police officer** for an emergency;

90 (19) "Political subdivision", any governmental subdivision of this state created pursuant  
91 to the laws of this state, and having the power to tax, except public school districts; a board of  
92 utilities or a board of public works which is required by charter or ordinance to establish the  
93 compensation of employees of the utility separate from the compensation of other employees of  
94 the city may be considered a political subdivision for purposes of sections 70.600 to 70.755; a  
95 joint municipal utility commission may be considered a political subdivision for purposes of  
96 sections 70.600 to 70.755;

97 (20) "Prior service", employment as an employee with the political subdivision prior to  
98 the date such political subdivision becomes an employer, which employment is creditable as  
99 service hereunder;

100 (21) "Regular interest" or "investment credits", such reasonable rate or rates per annum,  
101 compounded annually, as the board shall adopt annually;

102 (22) "Reserve", the present value of all payments to be made on account of any system  
103 benefit based upon such tables of experience and regular interest as the board shall adopt from  
104 time to time;

105 (23) "Retirant", a former member receiving a system allowance by reason of having been  
106 a member;

107 (24) "Retirement system" or "system", the Missouri local government employees'  
108 retirement system.

70.605. 1. For the purpose of providing for the retirement or pensioning of the officers  
2 and employees and the widows and children of deceased officers and employees of any political  
3 subdivision of the state, there is hereby created and established a retirement system which shall  
4 be a body corporate, which shall be under the management of a board of trustees herein  
5 described, and shall be known as the "Missouri Local Government Employees' Retirement  
6 System". Such system may sue and be sued, transact business, invest funds, and hold cash,  
7 securities, and other property. All suits or proceedings directly or indirectly against the system  
8 shall be brought in Cole County. The system shall begin operations on the first day of the  
9 calendar month next following sixty days after the date the board of trustees has received  
10 certification from ten political subdivisions that they have elected to become employers.

11           2. The general administration and the responsibility for the proper operation of the  
12 system is vested in a board of trustees of seven persons: three persons to be elected as trustees  
13 by the members of the system; three persons to be elected trustees by the governing bodies of  
14 employers; and one person, to be appointed by the governor, who is not a member, retirant, or  
15 beneficiary of the system and who is not a member of the governing body of any political  
16 subdivision.

17           3. Trustees shall be chosen for terms of four years from the first day of January next  
18 following their election or appointment, except that of the first board shall all be appointed by  
19 the governor by and with the consent of the senate, as follows:

20           (1) Three persons who are officers or officials of political subdivisions, one for a term  
21 of three years, one for a term of two years, and one for a term of one year; and

22           (2) Three persons who are employees of political subdivisions and who would, if the  
23 subdivision by which they are employed becomes an employer, be eligible as members, one for  
24 a term of three years, one for a term of two years, and one for a term of one year; and

25           (3) That person appointed by the governor under the provisions of subsection 2 of this  
26 section. All the members of the first board shall take office as soon as appointed by the  
27 governor, but their terms shall be computed from the first day of January next following their  
28 appointment, and only one member may be from any political subdivision or be a [~~policeman~~]  
29 **police officer** or [~~fireman~~] **firefighter**.

30           4. Successor trustees elected or appointed as member trustees shall be members of the  
31 retirement system; provided, that not more than one member trustee shall be employed by any  
32 one employer, and not more than one member trustee shall be a [~~policeman~~] **police officer**, and  
33 not more than one member trustee shall be a [~~fireman~~] **firefighter**.

34           5. Successor trustees elected as employer trustees shall be elected or appointed officials  
35 of employers and shall not be members of the retirement system; provided, that not more than  
36 one employer trustee shall be from any one employer.

37           6. An annual meeting of the retirement system shall be called by the board in the last  
38 calendar quarter of each year in Jefferson City, or at such place as the board shall determine, for  
39 the purpose of electing trustees and to transact such other business as may be required for the  
40 proper operation of the system. Notice of such meeting shall be sent by registered mail to the  
41 clerk or secretary of each employer not less than thirty days prior to the date of such meeting.  
42 The governing body of each employer shall certify to the board the name of one delegate who  
43 shall be an officer of the employer, and the members of the employer shall certify to the board  
44 a member of the employer to represent such employer at such meeting. The delegate certified  
45 as member delegate shall be elected by secret ballot by the members of such employer, and the  
46 clerk or secretary of each employer shall be charged with the duty of conducting such election

47 in a manner which will permit each member to vote in such election. Under such rules and  
48 regulations as the board shall adopt, approved by the delegates, the member delegates shall elect  
49 a member trustee for each such position on the board to be filled, and the officer delegates shall  
50 elect an employer trustee for each such position on the board to be filled.

51 7. In the event any member trustee ceases to be a member of the retirement system, or  
52 any employer trustee ceases to be an appointed or elected official of an employer, or becomes  
53 a member of the retirement system, or if the trustee appointed by the governor becomes a  
54 member of the retirement system or an elected or appointed official of a political subdivision,  
55 or if any trustee fails to attend three consecutive meetings of the board, unless in each case  
56 excused for cause by the remaining trustees attending such meeting or meetings, he or she shall  
57 be considered as having resigned from the board and the board shall, by resolution, declare his  
58 or her office of trustee vacated. If a vacancy occurs in the office of trustee, the vacancy shall be  
59 filled for the unexpired term in the same manner as the office was previously filled; provided,  
60 however, that the remaining trustees may fill employer and member trustee vacancies on the  
61 board until the next annual meeting.

62 8. Each trustee shall be commissioned by the governor, and before entering upon the  
63 duties of his or her office, shall take and subscribe to an oath or affirmation to support the  
64 Constitution of the United States, and of the state of Missouri, and to demean himself **or herself**  
65 faithfully in his **or her** office. Such oath as subscribed to shall be filed in the office of the  
66 secretary of state of this state.

67 9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be  
68 necessary for a decision by the trustees at any meeting of the board of trustees. Four trustees, of  
69 whom at least two shall be member trustees and at least two shall be employer trustees, shall  
70 constitute a quorum at any meeting of the board. Unless otherwise expressly provided herein,  
71 a meeting need not be called or held to make any decision on a matter before the board. Each  
72 member must be sent by the executive secretary a copy of the matter to be decided with full  
73 information from the files of the board. The concurring decisions of four trustees may decide  
74 the issue by signing a document declaring their decision and sending the written instrument to  
75 the executive secretary, provided that no other trustee shall send a dissenting decision to the  
76 executive secretary within fifteen days after the document and information was mailed to him  
77 or her. If any trustee is not in agreement with the four trustees, the matter is to be passed on at  
78 a regular board meeting or a special meeting called for that purpose. The board shall hold  
79 regular meetings at least once each quarter, the dates of these meetings to be designated in the  
80 rules and regulations adopted by the board. Other meetings as deemed necessary may be called  
81 by the chairman or by any four trustees acting jointly.

82           10. The board of trustees shall elect one of their number as chairman, and one of their  
83 number as vice chairman, and shall employ an executive secretary, not one of their number, who  
84 shall be the executive officer of the board. Other employees of the board shall be chosen only  
85 upon the recommendation of the executive secretary.

86           11. The board shall appoint an actuary or a firm of actuaries as technical advisor to the  
87 board on matters regarding the operation of the system on an actuarial basis. The actuary or  
88 actuaries shall perform such duties as are required of him or her under sections 70.600 to 70.755,  
89 and as are from time to time required by the board.

90           12. The board may appoint an attorney-at-law or firm of attorneys-at-law to be the legal  
91 advisor of the board and to represent the board in all legal proceedings.

92           13. The board may appoint an investment counselor to be the investment advisor of the  
93 board.

94           14. The board shall from time to time, after receiving the advice of its actuary, adopt  
95 such mortality and other tables of experience, and a rate or rates of regular interest, as shall be  
96 necessary for the actuarial requirements of the system, and shall require its executive secretary  
97 to keep in convenient form such data as shall be necessary for actuarial investigations of the  
98 experience of the system, and such data as shall be necessary for the annual actuarial valuations  
99 of the system.

100           15. The board shall keep a record of its proceedings, which shall be open to public  
101 inspection. It shall prepare annually and render to each employer a report showing the financial  
102 condition of the system as of the preceding June thirtieth. The report shall contain, but shall not  
103 be limited to, a financial balance sheet; a statement of income and disbursements; a detailed  
104 statement of investments acquired and disposed of during the year, together with a detailed  
105 statement of the annual rates of investment income from all assets and from each type of  
106 investment; an actuarial balance sheet prepared by means of the last valuation of the system, and  
107 such other data as the board shall deem necessary or desirable for a proper understanding of the  
108 condition of the system.

109           16. The board of trustees shall, after reasonable notice to all interested parties, conduct  
110 administrative hearings to hear and decide questions arising from the administration of sections  
111 70.600 to 70.755; except, that such hearings may be conducted by a hearing officer who shall be  
112 appointed by the board. The hearing officer shall preside at the hearing and hear all evidence and  
113 rule on the admissibility of evidence. The hearing officer shall make recommended findings of  
114 fact and may make recommended conclusions of law to the board. All final orders or  
115 determinations or other final actions by the board shall be approved in writing by at least four  
116 members of the board. Any board member approving in writing any final order, determination  
117 or other final action, who did not attend the hearing, shall do so only after certifying that he or

118 she reviewed all exhibits and read the entire transcript of the hearing. Within thirty days after  
119 a decision or order or final action of the board, any member, retirant, beneficiary or political  
120 subdivision adversely affected by that determination or order or final action may take an appeal  
121 under the provisions of chapter 536. Jurisdiction over any dispute regarding the interpretation  
122 of sections 70.600 to 70.755 and the determinations required thereunder shall lie in the circuit  
123 court of Cole County.

124 17. The board shall arrange for adequate surety bonds covering the executive secretary  
125 and any other custodian of the funds or investments of the board. When approved by the board,  
126 said bonds shall be deposited in the office of the secretary of state.

127 18. The board shall arrange for annual audits of the records and accounts of the system  
128 by a certified public accountant or by a firm of certified public accountants.

129 19. The headquarters of the retirement system shall be in Jefferson City.

130 20. The board of trustees shall serve as trustees without compensation for their services  
131 as such; except that each trustee shall be paid for any necessary expenses incurred in attending  
132 meetings of the board or in the performance of other duties authorized by the board.

133 21. Subject to the limitations of sections 70.600 to 70.755, the board shall formulate and  
134 adopt rules and regulations for the government of its own proceedings and for the administration  
135 of the retirement system.

70.610. Each political subdivision, by a majority vote of its governing body, may elect  
2 to become an employer and cover its employees under the system, as follows:

3 (1) The clerk or secretary of the political subdivision shall certify the election to be an  
4 employer to the board within ten days after the vote of the governing body. The effective date  
5 of the political subdivision's coverage is the first day of the calendar month next following  
6 receipt by the board of the election to be an employer, or the operative date of the system,  
7 whichever is the later.

8 (2) An employer must cover all its employees who are neither ~~[policemen]~~ **police**  
9 **officers** nor ~~[firemen]~~ **firefighters** and may cover its ~~[policemen]~~ **police officers** or ~~[firemen]~~  
10 **firefighters** or both.

70.615. After October 13, 1967, a political subdivision shall not commence coverage of  
2 its employees who are neither ~~[policemen]~~ **police officers** nor ~~[firemen]~~ **firefighters** under  
3 another plan similar in purpose to this system, other than under this system, except the federal  
4 Social Security Old Age, Survivors, and Disability Insurance Program, as amended; except that,  
5 any political corporation or subdivision of this state, now having or which may hereafter have  
6 an assessed valuation of one hundred million dollars or more, which does not now have a  
7 pension system for its officers and employees adopted pursuant to state law, may provide by  
8 proper legislative action of its governing body for the pensioning of its officers and employees



9 and the widows and minor children of deceased officers and employees under a plan separate and  
10 apart from that provided in sections 70.600 to 70.670 and appropriate and utilize its revenues and  
11 other available funds for such purposes, and except that the board of hospital trustees of any  
12 hospital which is owned by any political corporation or subdivision of this state, may provide for  
13 the pensioning of its employees and the widows and minor children of deceased employees under  
14 a plan separate and apart from that provided in sections 70.600 to 70.670, and utilize its revenues  
15 and other funds for such purposes.

70.630. 1. The membership of the system shall include the following persons:

2 (1) All employees who are neither ~~[policemen]~~ **police officers** nor ~~[firemen]~~ **firefighters**  
3 who are in the employ of a political subdivision the day preceding the date such political  
4 subdivision becomes an employer and who continue in such employ on and after such date shall  
5 become members of the system.

6 (2) All persons who become employed by a political subdivision as neither ~~[policemen]~~  
7 **police officers** nor ~~[firemen]~~ **firefighters** on or after the date such political subdivision becomes  
8 an employer shall become members of the system.

9 (3) If his **or her** employing political subdivision has elected to cover present and future  
10 ~~[policemen]~~ **police officers**, all ~~[policemen]~~ **police officers** who are in the employ of a political  
11 subdivision the day preceding the date such political subdivision covers ~~[policemen]~~ **police**  
12 **officers** hereunder and who continue in such employ as a ~~[policeman]~~ **police officer** on and after  
13 such date, and all persons who become employed by a political subdivision as a ~~[policeman]~~  
14 **police officer** on or after the date the political subdivision covers ~~[policemen]~~ **police officers**  
15 shall become members of the system.

16 (4) If his **or her** employing political subdivision has elected to cover only future  
17 ~~[policemen]~~ **police officers**, all persons who become employed by a political subdivision as a  
18 ~~[policeman]~~ **police officer** on or after the date such political subdivision covers ~~[policemen]~~  
19 **police officers** hereunder shall become members of the system.

20 (5) If his **or her** employing political subdivision has elected to cover present and future  
21 ~~[firemen]~~ **firefighters**, all ~~[firemen]~~ **firefighters** who are in the employ of a political subdivision  
22 the day preceding the date such political subdivision covers ~~[firemen]~~ **firefighters** hereunder and  
23 who continue in such employ as a ~~[fireman]~~ **firefighter** on and after such date, and all persons  
24 who become employed by a political subdivision as a ~~[fireman]~~ **firefighter** on or after the date  
25 the political subdivision covers ~~[firemen]~~ **firefighters** hereunder shall become members of the  
26 system.

27 (6) If his **or her** employing political subdivision has elected to cover only future  
28 ~~[firemen]~~ **firefighters**, all persons who become employed by a political subdivision as a

29 ~~[fireman]~~ **firefighter** on or after the date such political subdivision covers ~~[firemen]~~ **firefighters**  
30 hereunder shall become members of the system.

31 2. In no event shall an employee become a member if continuous employment to time  
32 of retirement will leave the employee with less than minimum number of years of credited  
33 service specified in section 70.645.

34 3. In any case of question as to the system membership status of any person, the board  
35 shall decide the question.

**70.631. 1. Each political subdivision may, by majority vote of its governing body,  
2 elect to cover jailers as police officer members of the system and emergency medical service  
3 personnel as firefighter members of the system. The clerk or secretary of the political  
4 subdivision shall certify an election concerning the coverage of jailers as police officer  
5 members of the system and emergency medical service personnel as firefighter members  
6 of the system to the board within ten days after such vote. The date on which the political  
7 subdivision's election becomes effective shall be the first day of the calendar month  
8 specified by such governing body, the first day of the calendar month next following receipt  
9 by the board of the certification of the election, or the effective date of the political  
10 subdivision becoming an employer, whichever is the latest date. Such election shall not be  
11 changed after the effective date. If the election is made, the coverage provisions shall be  
12 applicable to past and future employment with the employer by present and future  
13 employees.**

14 **2. If an employer elects to cover jailers as police officer members of the system and  
15 emergency medical service personnel as firefighter members of the system, the employer  
16 contributions shall be correspondingly changed effective the same date as the effective date  
17 of the political subdivision's election.**

18 **3. The limitation on increases in an employer's contributions under subsection 6  
19 of section 70.730 shall not apply to any contribution increase resulting from an employer  
20 making an election under the provisions of this section.**

70.730. 1. Each employer's contributions to the system shall be the total of the  
2 contribution amounts provided for in subsections 2 through 5 of this section; provided, that such  
3 contributions shall be subject to the provisions of subsection 6 of this section.

4 2. An employer's normal cost contributions shall be determined as follows: using the  
5 financial assumptions adopted by the board from time to time, the actuary shall annually compute  
6 the rate of contributions which, if paid annually by each employer during the total service of its  
7 members, will be sufficient to provide the pension reserves required at the time of their  
8 retirements to cover the pensions to which they might be entitled or which might be payable on  
9 their behalf. The board shall annually certify to the governing body of each employer the amount

10 of membership service contribution so determined, and each employer shall pay such amount to  
11 the system during the employer's next fiscal year which begins six months or more after the date  
12 of such board certification. Such payments shall be made in such manner and form and in such  
13 frequency and shall be accompanied by such supporting data as the board shall from time to time  
14 determine. When received, such payments shall be credited to the employer's account in the  
15 employer accumulation fund.

16 3. An employer's accrued service contributions shall be determined as follows: using  
17 the financial assumptions adopted by the board from time to time, the actuary shall annually  
18 compute for each employer the portions of pension reserves for pensions which will not be  
19 provided by future normal cost contributions. The accrued service pension reserves so  
20 determined for each employer less the employer's applicable balance in the employer  
21 accumulation fund shall be amortized over a period of years, as determined by the board. Such  
22 period of years shall not extend beyond the latest of:

23 (1) forty years from the date the political subdivision became an employer~~[-or-]~~ ;

24 (2) thirty years from the date the employer last elected to increase its optional benefit  
25 program~~[s]~~ ; or

26 (3) fifteen years from the date of the annual actuarial computation.

27

28 The board shall annually certify to the governing body of each employer the amount of accrued  
29 service contribution so determined for the employer, and each employer shall pay such amount  
30 to the system during the employer's next fiscal year which begins six months or more after the  
31 date of such board certification. Such payments shall be made in such manner and form and in  
32 such frequency and shall be accompanied by such supporting data as the board shall from time  
33 to time determine. When received, such payments shall be credited to the employer's account  
34 in the employer accumulation fund.

35 4. The employer's contributions for the portions of disability pensions or pensions that  
36 result from a member's death that was the natural and proximate result of a personal injury or  
37 disease arising out of and in the course of his or her actual performance of duty as an employee  
38 not covered by accrued service pension reserves shall be determined on a one-year term basis.  
39 The board may determine different rates of contributions for employers having ~~[policeman]~~  
40 **police officer** members or having ~~[fireman]~~ **firefighter** members or having neither ~~[policeman]~~  
41 **police officer** members nor ~~[fireman]~~ **firefighter** members. The board shall annually certify to  
42 the governing body of each employer the amount of contribution so ascertained for the employer,  
43 and each employer shall pay such amount to the system during the employer's next fiscal year  
44 which begins six months or more after the date of such board certification. Such payments shall  
45 be made in such manner and form and in such frequency and shall be accompanied by such

46 supporting data as the board shall from time to time ascertain. When received, such payments  
47 shall be credited to the casualty reserve fund.

48 5. Each employer shall provide its share, as determined by the board, of the  
49 administrative expenses of the system and shall pay the same to the system to be credited to the  
50 income-expense fund.

51 6. The employer's total contribution to the system, expressed as a percent of active  
52 member compensations, in any employer fiscal year, beginning with the second fiscal year that  
53 the political subdivision is an employer, shall not exceed its total contributions for the  
54 immediately preceding fiscal year, expressed as a percent of active member compensations, by  
55 more than one percent.

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

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

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

8 (3) "Average final compensation":

9 (a) With respect to a member who earns no creditable service on or after October 1,  
10 2001, the average earnable compensation of the member during the member's last three years of  
11 creditable service as a police officer, or if the member has had less than three years of creditable  
12 service, the average earnable compensation of the member's entire period of creditable service;

13 (b) With respect to a member who is not participating in the DROP pursuant to section  
14 86.251 on October 1, 2001, who did not participate in the DROP at any time before such date,  
15 and who earns any creditable service on or after October 1, 2001, the average earnable  
16 compensation of the member during the member's last two years of creditable service as a  
17 ~~police man~~ **police officer**, or if the member has had less than two years of creditable service,  
18 then the average earnable compensation of the member's entire period of creditable service;

19 (c) With respect to a member who is participating in the DROP pursuant to section  
20 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns  
21 to active participation in the system pursuant to section 86.251, and who terminates employment  
22 as a police officer for reasons other than death or disability before earning at least two years of  
23 creditable service after such return, the portion of the member's benefit attributable to creditable  
24 service earned before DROP entry shall be determined using average final compensation as  
25 defined in paragraph (a) of this subdivision; and the portion of the member's benefit attributable

26 to creditable service earned after return to active participation in the system shall be determined  
27 using average final compensation as defined in paragraph (b) of this subdivision;

28 (d) With respect to a member who is participating in the DROP pursuant to section  
29 86.251 on October 1, 2001, or whose participation in the DROP ended before such date, who  
30 returns to active participation in the system pursuant to section 86.251, and who terminates  
31 employment as a police officer after earning at least two years of creditable service after such  
32 return, the member's benefit attributable to all of such member's creditable service shall be  
33 determined using the member's average final compensation as defined in paragraph (b) of this  
34 subdivision;

35 (e) With respect to a member who is participating in the DROP pursuant to section  
36 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns  
37 to active participation in the system pursuant to section 86.251, and whose employment as a  
38 police officer terminates due to death or disability after such return, the member's benefit  
39 attributable to all of such member's creditable service shall be determined using the member's  
40 average final compensation as defined in paragraph (b) of this subdivision; and

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

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

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

49 (6) "Creditable service", prior service plus membership service as provided in sections  
50 86.200 to 86.366;

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

52 (8) "Earnable compensation", the annual salary established under section 84.160 which  
53 a member would earn during one year on the basis of the member's rank or position plus any  
54 additional compensation for academic work and shift differential that may be provided by any  
55 official or board now or hereafter authorized by law to employ and manage a permanent police  
56 force in such cities. Such amount shall include the member's deferrals to a deferred  
57 compensation plan pursuant to Section 457 of the Internal Revenue Code or to a cafeteria plan  
58 pursuant to Section 125 of the Internal Revenue Code or, effective October 1, 2001, to a  
59 transportation fringe benefit program pursuant to Section 132(f)(4) of the Internal Revenue Code.  
60 Earnable compensation shall not include a member's additional compensation for overtime,  
61 standby time, court time, nonuniform time or unused vacation time. Notwithstanding the

62 foregoing, the earnable compensation taken into account under the plan established pursuant to  
63 sections 86.200 to 86.366 with respect to a member who is a noneligible participant, as defined  
64 in this subdivision, for any plan year beginning on or after October 1, 1996, shall not exceed the  
65 amount of compensation that may be taken into account under Section 401(a)(17) of the Internal  
66 Revenue Code, as adjusted for increases in the cost of living, for such plan year. For purposes  
67 of this subdivision, a "noneligible participant" is an individual who first becomes a member on  
68 or after the first day of the first plan year beginning after the earlier of:

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

70 (b) December 31, 1995;

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

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

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

80 (12) "Member", a member of the retirement system as defined by sections 86.200 to  
81 86.366;

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

84 (14) "Membership service", service as a ~~[policeman]~~ **police officer** rendered since last  
85 becoming a member, except in the case of a member who has served in the Armed Forces of the  
86 United States and has subsequently been reinstated as a ~~[policeman]~~ **police officer**, in which case  
87 "membership service" means service as a ~~[policeman]~~ **police officer** rendered since last  
88 becoming a member prior to entering such armed service;

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

91 (16) ~~["Policeman" or]~~ "Police officer", any member of the police force of such cities who  
92 holds a rank in such police force;

93 (17) "Prior service", all service as a ~~[policeman]~~ **police officer** rendered prior to the date  
94 the system becomes operative or prior to membership service which is creditable in accordance  
95 with the provisions of sections 86.200 to 86.366;

96 (18) "Reserve officer", any member of the police reserve force of such cities, armed or  
97 unarmed, who works less than full time, without compensation, and who, by his or her assigned

98 function or as implied by his or her uniform, performs duties associated with those of a police  
99 officer and who currently receives a service retirement as provided by sections 86.200 to 86.366;

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

103 (20) "Retirement system", the police retirement system of the cities as defined in sections  
104 86.200 to 86.366;

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

86.207. 1. Except as provided herein, all persons who become ~~[policemen]~~ **police**  
2 **officers** and all ~~[policemen]~~ **police officers** who enter or reenter the service of any city not  
3 within a county after the first day of October, 1957, become members **of the retirement system**  
4 as a condition of their employment and **during the period of their membership** shall receive  
5 no pensions or retirement allowance from any other pension or retirement system supported  
6 wholly or in part by the city not within a county or the state of Missouri, nor shall they be  
7 required to make contributions under any other pension or retirement system of the city not  
8 within a county or the state of Missouri for the same period of service~~[- anything to the contrary~~  
9 ~~notwithstanding. Any employee of a city not within a county who is earning creditable service~~  
10 ~~in a retirement plan established by said city under section 95.540 and subsequently becomes a~~  
11 ~~policeman may elect to remain a member of said retirement plan and shall not be required to~~  
12 ~~become a member of a police retirement system established under section 86.200. However,]~~  
13 **. Officers employed by a city not within a county and occupying the position of "Airport**  
14 **Police Officer" shall not be required to become members as a condition of their**  
15 **employment.** An employee of a city not within a county who is earning creditable service in a  
16 retirement plan established by said city under section 95.540 and who subsequently becomes a  
17 ~~[policeman]~~ **police officer** may elect to transfer ~~[membership and]~~ creditable service to the  
18 police retirement system created under ~~[section]~~ **sections 86.200 to 86.366**. Such transfers are  
19 subject to the conditions and requirements contained in section 105.691 and are also subject to  
20 any existing agreements between the said retirement plans~~[- provided however, transfers~~  
21 ~~completed prior to January 1, 2016, shall occur without regard to the vesting requirements of the~~  
22 ~~receiving plan contained in section 105.691].~~ As part of the transfer process described herein,  
23 the respective retirement plans may require the employee to acknowledge and agree as a  
24 condition of transfer that any election made under this section is irrevocable, constitutes a waiver  
25 of any right to receive retirement and disability benefits except as provided by the police  
26 retirement system, and that plan terms may be modified in the future.

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

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

          86.210. 1. Under such rules and regulations as the board of trustees shall adopt, each  
2 member who was a ~~[policeman]~~ **police officer** on and prior to the date the retirement system  
3 becomes operative and who becomes a member within one year from such date and each member  
4 who was a ~~[policeman]~~ **police officer** prior to reentering the service of the city as a ~~[policeman]~~  
5 **police officer**, shall file a detailed statement of all service as a ~~[policeman]~~ **police officer**  
6 rendered by the member prior to the date the retirement system becomes operative or prior to the  
7 date of last becoming a member, for which the member claims credit. If such member has  
8 withdrawn the member's accumulated contributions prior to reentering said service, then the  
9 member shall repay all such accumulated contributions plus the applicable members' interest  
10 thereon from the date of withdrawal to the date of repayment in order to receive credit for such  
11 prior service.

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

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

20           4. Upon verification of the statements of service the board of trustees shall issue prior  
21 service certificates, certifying to each member the length of prior service with which the member  
22 is credited on the basis of such member's statement of service. So long as the holder of such a  
23 certificate continues to be a member, a prior service certificate shall be final and conclusive for



24 retirement purposes as to such service; provided, however, that any member may, within one  
25 year from the date of issuance or modification of such certificate, request the board of trustees  
26 to modify or correct such prior service certificate. When any [~~policeman~~] **police officer** ceases  
27 to be a member, the former member's prior service certificate shall become void. Should the  
28 former member again become a member, the former member shall enter the retirement system  
29 as a member not entitled to prior service credit except as provided in sections 86.200 to 86.366.

30 5. Creditable service at retirement on which the retirement allowance of a member shall  
31 be based shall consist of the membership service rendered by the member since last becoming  
32 a member and also if the member has a prior service certificate which is in full force and effect,  
33 the amount of the service certified on such prior service certificate.

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, shall not exceed an amount equal to  
12 seventy-five percent of the member's average final compensation; provided, however, that the  
13 service retirement allowance of a member who is participating in the DROP pursuant to section  
14 86.251 on August 12, 1999, who returns to active participation in the system pursuant to section  
15 86.251, and who terminates employment as a police officer and actually retires for reasons other  
16 than death or disability before earning at least two years of creditable service after such return  
17 shall be the sum of (1) the member's service retirement allowance as of the date the member  
18 entered DROP and (2) an additional service retirement allowance based solely on the creditable  
19 service earned by the member following the member's return to active participation. The  
20 member's total years of creditable service shall be taken into account for the purpose of  
21 determining whether the additional allowance attributable to such additional creditable service  
22 is two percent, four percent or five percent of the member's average final compensation.

23 2. If, at any time since first becoming a member of the retirement system, the member  
24 has served in the Armed Forces of the United States, and has subsequently been reinstated as a  
25 [~~policeman~~] **police officer** within ninety days after the member's discharge, the member shall be  
26 granted credit for such service as if the member's service in the police department of such city

27 had not been interrupted by the member's induction into the Armed Forces of the United States.  
28 If earnable compensation is needed for such period in computation of benefits it shall be  
29 calculated on the basis of the compensation payable to the officers of the member's rank during  
30 the period of the member's absence. Notwithstanding any provision of sections 86.200 to 86.366  
31 to the contrary, the retirement system governed by sections 86.200 to 86.366 shall be operated  
32 and administered in accordance with the applicable provisions of the Uniformed Services  
33 Employment and Reemployment Rights Act of 1994, as amended.

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

54 4. In addition to any other retirement allowance payable under this section and section  
55 86.250, a member, upon termination of employment as police officer and actual service  
56 retirement, may request payment of the total amount of the member's mandatory contributions  
57 to the retirement system without interest. Upon receipt of such request, the board shall pay the  
58 retired member such total amount of the member's mandatory contributions to the retirement  
59 system to be paid pursuant to this subsection within sixty days after such retired member's date  
60 of termination of employment as a police officer and actual retirement.

61 5. Any person who is receiving retirement benefits from the retirement system, upon  
62 application to the board of trustees, shall be made, constituted, appointed and employed by the

63 board of trustees as a special consultant on the problems of retirement, aging and other matters,  
64 for the remainder of the person's life or, in the case of a deceased member's surviving spouse,  
65 until the earlier of the person's death or remarriage, and upon request of the board of trustees  
66 shall give opinions and be available to give opinions in writing or orally, in response to such  
67 requests, as may be required. For such services the special consultant shall be compensated  
68 monthly, in an amount which, when added to any monthly retirement benefits being received  
69 from the retirement system, including any cost-of-living increases under subsection 3 of this  
70 section, shall total six hundred fifty dollars a month. This employment shall in no way affect any  
71 person's eligibility for retirement benefits under this chapter, or in any way have the effect of  
72 reducing retirement benefits, notwithstanding any provisions of law to the contrary.

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

5 2. Any member who, as the natural and proximate result of an accident occurring at some  
6 definite time and place in the actual performance of the member's duty through no negligence  
7 on the member's part, is permanently and totally incapacitated from performing any work,  
8 occupation or vocation of any kind whatsoever shall receive a retirement allowance as under  
9 subsection 1 **of this section** or, in the discretion of the board of trustees, may receive a larger  
10 retirement allowance in an amount not exceeding the member's rate of compensation as a  
11 ~~[policeman]~~ **police officer** in effect as of the date the allowance begins.

12 3. The board of trustees, in its discretion, may, in addition to the allowance granted in  
13 accordance with the provisions of subsections 1 and 2 **of this section**, grant an allowance in an  
14 amount to be determined by the board of trustees, to provide such member with surgical, medical  
15 and hospital care reasonably required after retirement, which are the result and in consequence  
16 of the accident causing such disability.

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

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

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

**104.1092. 1. In lieu of retirement annuity benefits otherwise payable under the  
2 closed plan or year 2000 plan, any member who has terminated employment, is entitled to  
3 a deferred annuity, and has not yet reached normal retirement age or eligibility may make  
4 a one-time election to receive a lump sum payment equal to a percentage of the present  
5 value of such member's deferred annuity should a board choose to establish such a  
6 program by board rule pursuant to section 104.1063.**

**7 2. Any such election under subsection 1 of this section may be made by the member  
8 beginning on a date as established by the board under such program but not after May 31,  
9 2018. After May 31, 2018, no such election shall be made and retirement annuity benefits  
10 will only be paid as otherwise provided by law under this chapter.**

**11 3. Any such member making such election under subsection 1 of this section shall  
12 forfeit all such member's creditable or credited service and future rights to receive  
13 retirement annuity benefits from the system under this chapter and shall not be eligible to  
14 receive any long-term disability benefits. If such member subsequently becomes an  
15 employee, such member shall be considered a new employee with no prior credited service  
16 and shall be subject to the provisions of section 104.1091.**

Section B. Because immediate action is necessary to meet the requirements of the Social Security Administration and to prevent the expulsion of Missouri airport officers from the Social Security Program, section 86.207 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section 86.207 of section A of this act shall be in full force and effect upon its passage and approval.

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