

SENATE BILL NO. 357

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHROER.

0440S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 86.200, RSMo, and to enact in lieu thereof one new section relating to the police retirement system of St. Louis.

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

Section A. Section 86.200, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 86.200,
3 to read as follows:

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

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

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

12 (3) "Average final compensation":

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

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 the average earnable compensation of the member's entire
19 period of creditable service;

20 (b) With respect to a member who is not participating
21 in the DROP pursuant to section 86.251 on October 1, 2001,
22 who did not participate in the DROP at any time before such
23 date, and who earns any creditable service on or after
24 October 1, 2001, the average earnable compensation of the
25 member during the member's last two years of creditable
26 service as a policeman, or if the member has had less than
27 two years of creditable service, then the average earnable
28 compensation of the member's entire period of creditable
29 service;

30 (c) With respect to a member who is participating in
31 the DROP pursuant to section 86.251 on October 1, 2001, or
32 whose participation in DROP ended before such date, who
33 returns to active participation in the system pursuant to
34 section 86.251, and who terminates employment as a police
35 officer for reasons other than death or disability before
36 earning at least two years of creditable service after such
37 return, the portion of the member's benefit attributable to
38 creditable service earned before DROP entry shall be
39 determined using average final compensation as defined in
40 paragraph (a) of this subdivision; and the portion of the
41 member's benefit attributable to creditable service earned
42 after return to active participation in the system shall be
43 determined using average final compensation as defined in
44 paragraph (b) of this subdivision;

45 (d) With respect to a member who is participating in
46 the DROP pursuant to section 86.251 on October 1, 2001, or
47 whose participation in the DROP ended before such date, who
48 returns to active participation in the system pursuant to
49 section 86.251, and who terminates employment as a police

50 officer after earning at least two years of creditable
51 service after such return, the member's benefit attributable
52 to all of such member's creditable service shall be
53 determined using the member's average final compensation as
54 defined in paragraph (b) of this subdivision;

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

65 (f) With respect to the surviving spouse or surviving
66 dependent child of a member who earns any creditable service
67 on or after October 1, 2001, the average earnable
68 compensation of the member during the member's last two
69 years of creditable service as a police officer or, if the
70 member has had less than two years of creditable service,
71 the average earnable compensation of the member's entire
72 period of creditable service;

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

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

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

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

82 (8) "Earnable compensation", the annual salary
83 [established under section 84.160] which a member would earn
84 during one year on the basis of the member's rank or
85 position, plus any additional compensation for academic work
86 and shift differential, that [may be provided] **is set** by any
87 **state or municipal body or** official [or board] now or
88 hereafter authorized by law to employ and manage a permanent
89 police force in such cities. Such amount shall include the
90 member's deferrals to a deferred compensation plan pursuant
91 to Section 457 of the Internal Revenue Code or to a
92 cafeteria plan pursuant to Section 125 of the Internal
93 Revenue Code or, effective October 1, 2001, to a
94 transportation fringe benefit program pursuant to Section
95 132(f)(4) of the Internal Revenue Code. Earnable
96 compensation shall not include a member's additional
97 compensation for overtime, standby time, court time,
98 nonuniform time or unused vacation time. **The term "earnable**
99 **compensation" shall not include any funds received by a**
100 **member through a judgment or settlement of a legal action or**
101 **claim made or threatened by the member against any city not**
102 **within a county, if the funds are intended to retroactively**
103 **compensate the member for the salary differential between**
104 **the member's actual rank and the rank the member claims he**
105 **or she should have received.** Notwithstanding the foregoing,
106 the earnable compensation taken into account under the plan
107 established pursuant to sections 86.200 to 86.366 with
108 respect to a member who is a noneligible participant, as
109 defined in this subdivision, for any plan year beginning on
110 or after October 1, 1996, shall not exceed the amount of
111 compensation that may be taken into account under Section
112 401(a)(17) of the Internal Revenue Code, as adjusted for
113 increases in the cost of living, for such plan year. For

114 purposes of this subdivision, a "noneligible participant" is
115 an individual who first becomes a member on or after the
116 first day of the first plan year beginning after the earlier
117 of:

118 (a) The last day of the plan year that includes August
119 28, 1995; or

120 (b) December 31, 1995;

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

123 (10) "Mandatory contributions", the contributions
124 required to be deducted from the salary of each member who
125 is not participating in DROP in accordance with section
126 86.320;

127 (11) "Medical board", the health care organization
128 appointed by the trustees of the police retirement board and
129 responsible for arranging and passing upon all medical
130 examinations required under the provisions of sections
131 86.200 to 86.366, which shall investigate all essential
132 statements and certificates made by or on behalf of a member
133 in connection with an application for disability retirement
134 and shall report in writing to the board of trustees its
135 conclusions and recommendations;

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

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

141 (14) "Membership service", service as a policeman
142 rendered since last becoming a member, except in the case of
143 a member who has served in the Armed Forces of the United
144 States and has subsequently been reinstated as a policeman,
145 in which case "membership service" means service as a

146 policeman rendered since last becoming a member prior to
147 entering such armed service;

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

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

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

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

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

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

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

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