

HB 776 -- 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) Revises the definition of "average final compensation" as it relates to a member whose first day of active participation in the system is on or after October 1, 2011;

(2) Defines "retirement age" as the date a member who has terminated employment is eligible to begin receiving a service retirement allowance as follows:

(a) For a member participating in the system prior to October 1, 2011, the earlier of the member's attainment of age 55 or the completion of 20 years of creditable service;

(b) For a member participating in the system on or after October 1, 2011, the earlier of the member's attainment of age 55 or the date the member has both attained age 50 and completed 25 years of creditable service. Any member terminating employment after completing at least 25 years of creditable service but before attaining age 50 will not be eligible to begin receiving any benefits until attaining age 50; or

(c) For purposes of the Internal Revenue Code of 1986, as amended, the member's normal retirement age is 55;

(3) Changes the definition of who a member is by adding the retirement age definition;

(4) Changes the laws regarding the Deferred Retirement Option Plan (DROP) as follows:

(a) For a member entering the DROP prior to October 1, 2011, the member's DROP account will earn interest equal to the rate of return earned by the system's investment portfolio including realized and unrealized gains and losses;

(b) For a member entering the DROP on or after October 1, 2011, the member's DROP account will earn simple interest in the amount of 6% annually; and

(c) For a member who entered the DROP on or prior to October 1, 2011, he or she can elect to earn interest at the simple interest amount of 6% annually;

(5) Changes the creditable service requirement for a member who

makes application on or after October 1, 2011, to be eligible for a nonduty-related disability benefit from 10 years to five years;

(6) Specifies that the current provision allowing for the return of mandatory member contributions will not apply to a new member first hired on or after October 1, 2011;

(7) Specifies that a current provision allowing a cost-of-living increase on survivor benefits will not apply to any member first participating in the system after October 1, 2011, who terminates employment after completing 25 years of creditable service but before age 50 who dies before receiving any retirement allowance; and

(8) Changes the member contribution rate from 7% to 9% for each pay period on or after October 1, 2011.