

SECOND REGULAR SESSION

HOUSE BILL NO. 1356

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JOHNSON (47) (Sponsor) AND KRAUS (Co-sponsor).

Read 1st time January 11, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4102L.01I

AN ACT

To repeal section 86.1230, RSMo, and to enact in lieu thereof one new section relating to police retirement system.

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

Section A. Section 86.1230, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 86.1230, to read as follows:

86.1230. 1. Any member who retires subsequent to August 28, 1991, with entitlement to a pension under sections 86.900 to 86.1280, shall receive each month, in addition to such member's base pension and cost-of-living adjustments thereto under section 86.1220, and in addition to any other compensation or benefit to which such member may be entitled under sections 86.900 to 86.1280, a supplemental retirement benefit of fifty dollars per month. The amount of such supplemental retirement benefit may be adjusted by cost-of-living adjustments determined by the retirement board not more frequently than annually. [Such determination shall be based on advice of the plan's actuary that the increase in the benefit will not cause the present value of anticipated future plan benefits, calculated on the actuarial assumptions used for the most recent annual valuation, to exceed the sum of the trust fund assets plus the present value of anticipated contributions to the trust fund.]

2. Any member who was retired on or before August 28, 1991, and is receiving retirement benefits from the retirement system shall, upon application to the retirement board, be retained as a consultant, and for such services such member shall receive each month, in addition to such member's base pension and cost-of-living adjustments thereto under section

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.

16 86.1220, and in addition to any other compensation or benefit to which such member may be
17 entitled under sections 86.900 to 86.1280, a supplemental compensation in the amount of fifty
18 dollars per month. This appointment as a consultant shall in no way affect any member's
19 eligibility for retirement benefits under the provisions of sections 86.900 to 86.1280, or in any
20 way have the effect of reducing retirement benefits otherwise payable to such member. The
21 amount of such supplemental compensation under this subsection may be adjusted by
22 cost-of-living adjustments determined by the retirement board not more frequently than annually.
23 [Such determination shall be based on advice of the plan's actuary that the increase in the benefit
24 will not cause the present value of anticipated future plan benefits, calculated on the actuarial
25 assumptions used for the most recent annual valuation, to exceed the sum of the trust fund assets
26 plus the present value of anticipated contributions to the trust fund.]

27 **3. Any member who is receiving benefits from the retirement system and who either**
28 **was retired under the provisions of subdivision (1) of subsection 1 of section 86.1150, or**
29 **was retired before August 28, 2001, under the provisions of section 86.1180 or 86.1200,**
30 **shall, upon application of the retirement board, be retained as a consultant. For such**
31 **services, such member shall receive each month in addition to such member's base pension**
32 **and cost-of-living adjustments thereto under section 86.1220, and in addition to any other**
33 **compensation or benefit to which such member may be entitled under sections 86.900 to**
34 **86.1280, an equalizing supplemental compensation of ten dollars per month. This**
35 **appointment as a consultant shall in no way affect any member's eligibility for retirement**
36 **benefits under the provisions of sections 86.900 to 86.1280, or in any way have the effect**
37 **of reducing retirement benefits otherwise payable to such member. The amount of**
38 **equalizing supplemental compensation under this subsection may be adjusted by cost-of-**
39 **living adjustments determined by the retirement board not more frequently than annually,**
40 **but in no event shall the aggregate of such equalizing supplemental compensation together**
41 **with all such cost-of-living adjustments thereto exceed twenty-five percent of the member's**
42 **base pension. Each cost-of-living adjustment to compensation under this subsection shall**
43 **be determined independently of any cost-of-living adjustment to any other benefit under**
44 **sections 86.900 to 86.1280. For the purposes of this subsection, the term "member" shall**
45 **include a surviving spouse entitled to benefits under the provisions of sections 86.900 to**
46 **86.1280, and who is the surviving spouse of a member who qualified, or would have**
47 **qualified if living, for compensation under this subsection. Such surviving spouse shall,**
48 **upon application to the retirement board, be retained as a consultant, and for such services**
49 **shall be compensated in an amount equal to the compensation which would have been**
50 **received by the member under this subsection if living. Any such surviving spouse of a**
51 **member who dies while entitled to payments under this subsection shall succeed to the full**

52 amount of payment under this subsection to which such member was entitled at the time
53 of such member's death, including any cost-of-living adjustments received by such member
54 in the payment under this subsection prior to such member's death. In all events, the term
55 "member" shall not include any children of the member who would be entitled to receive
56 part or all of the pension that would be received by a surviving spouse if living.

57 4. A surviving spouse who is entitled to benefits under subsection 1 of section
58 86.1240 as a result of the death prior to August 28, 2006, of a member in service, and who
59 is receiving benefits from the retirement system, shall, upon application to the retirement
60 board, be retained as a consultant, and for such services, such surviving spouse shall
61 receive each month an equalizing supplemental compensation of ten dollars per month.
62 A surviving spouse entitled to benefits under the provisions of subsection 1 of section
63 86.1240 as a result of the death of a member in service on or after August 28, 2006, shall
64 receive each month an equalizing supplemental benefit of ten dollars per month. All
65 benefits payable to a surviving spouse under this subsection shall be in addition to all other
66 benefits to which such surviving spouse may be entitled under other provisions of sections
67 86.900 to 86.1240 and shall in no way have the effect of reducing benefits otherwise payable
68 to such surviving spouse. The amount of equalizing supplemental benefit or equalizing
69 supplemental compensation under this subsection may be adjusted by cost-of-living
70 adjustments, determined by the retirement board not more frequently than annually, but
71 in no event shall the aggregate of such equalizing supplemental benefit or compensation
72 together with all such cost-of-living adjustments thereto exceed twenty-five percent of the
73 base pension of the surviving spouse. Each cost-of-living adjustment to an equalizing
74 supplemental benefit or compensation under this subsection shall be determined
75 independently of any cost-of-living adjustment to any other benefit under sections 86.900
76 to 86.1280. In all events, the term "surviving spouse" as used in this subsection shall not
77 include any children of the member who would be entitled to receive part or all of the
78 pension that would be received by a surviving spouse if living.

79 5. In determining and granting the cost-of-living adjustments under this section, the
80 retirement board shall adopt such rules and regulations as may be necessary to effectuate the
81 purposes of this section, including provisions for the manner of computation of such adjustments
82 and the effective dates thereof. The retirement board shall provide for such adjustments to be
83 determined once each year and granted on a date or dates to be chosen by the board. The
84 retirement board shall not be required to prorate the initial adjustment to any [supplemental
85 retirement] benefit or [any supplemental] compensation under this section for any member.

86 [4.] 6. For purposes of subsections 1 and 2 of this section, the term "member" shall
87 include a surviving spouse entitled to a benefit under sections 86.900 to 86.1280 who shall be

88 deemed to have retired for purposes of this section on the date of retirement of the member of
89 whom such person is the surviving spouse or on the date of death of such member if such
90 member died prior to retirement; provided, that if the surviving spouse of any member who
91 retired prior to August 28, 2000, shall not have remarried prior to August 28, 2000, but remarries
92 thereafter, such surviving spouse shall thereafter receive benefits under subsection 2 of this
93 section, and provided further, that no benefits shall be payable under this section to the surviving
94 spouse of any member who retired prior to August 28, 2000, if such surviving spouse was at any
95 time remarried after the member's death and prior to August 28, 2000. All benefits payable to
96 a surviving spouse under this section shall be in addition to all other benefits to which such
97 surviving spouse may be entitled under other provisions of sections 86.900 to 86.1280. Any such
98 surviving spouse of a member who dies while entitled to payments under this section shall
99 succeed to the full amount of payment under this section to which such member was entitled at
100 the time of such member's death, including any cost-of-living adjustments received by such
101 member in the payment under this section prior to such member's death. In all events, the term
102 "member" shall not include any children of the member who would be entitled to receive part
103 or all of the pension which would be received by a surviving spouse if living.

104 [5.] 7. The determination of whether the retirement system will remain actuarially sound
105 shall be made at the time any cost-of-living adjustment under this section is granted. If at any
106 time the retirement system ceases to be actuarially sound, [supplemental retirement] **any** benefit
107 [payments under subsection 1 of this section and supplemental] **or** compensation payments [as
108 a consultant under subsection 2 of] **provided under** this section shall continue as adjusted by
109 increases or decreases theretofore granted. A member of the retirement board shall have no
110 personal liability for granting increases under this section if that retirement board member in
111 good faith relied and acted upon advice of a qualified actuary that the retirement system would
112 remain actuarially sound.

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