

SB 871 -- POLICE RETIREMENT SYSTEM OF ST. LOUIS

SPONSOR: Coleman (Daus)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Retirement by a vote of 9 to 0.

This bill changes the laws regarding the distribution of benefits for the Police Retirement System of St. Louis. The bill:

(1) Requires, beginning January 1, 2003, that required minimum distributions be made in accordance with the United States Treasury regulations under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended;

(2) Requires the member's entire interest to be distributed or begin to be distributed no later than the member's required beginning date of receiving benefits;

(3) Specifies to whom and when distributions will be made if a member dies before distributions begin;

(4) Requires that distributions for calendar years 2003, 2004, and 2005 meet United States Treasury regulations if the payments satisfy Section 401(a)(9) of the Internal Revenue Code of 1986, as amended;

(5) Allows a member, upon termination of employment and actual service retirement, to request payment of his or her mandatory contributions to the retirement system without interest. Currently, this payment is made automatically;

(6) Prohibits the board of trustees from paying an eligible rollover distribution of \$5,000 or less to a member or retired member who has not attained age 62 unless the member consents in writing to receive the distribution in cash or to have the distribution directly rolled over in accordance with the provisions of this section; and

(7) Requires that if any retroactive payment is made to a member or the member's beneficiary for any reason, a lump sum amount equal to the retroactive payments plus interest be paid.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and FY 2009.

PROPOSERS: Supporters say that the bill will allow the Police Retirement System of St. Louis to be in compliance with provisions of the federal Internal Revenue Code regarding distributions. Non-compliance may jeopardize the plan's

qualified status.

Testifying for the bill was Representative Smith (118).

OPPONENTS: There was no opposition voiced to the committee.

Marc Webb, Legislative Analyst