

FIRST REGULAR SESSION

HOUSE BILL NO. 746

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FRANZ (Sponsor) AND YAEGER (Co-sponsor).

Read 1st time February 5, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

0064L.02I

AN ACT

To repeal sections 86.254, 86.330, 86.333, and 86.337, RSMo, and to enact in lieu thereof four new sections relating to police retirement.

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

Section A. Sections 86.254, 86.330, 86.333, and 86.337, RSMo, are repealed and four
2 new sections enacted in lieu thereof, to be known as sections 86.254, 86.330, 86.333, and 86.337,
3 to read as follows:

86.254. 1. Beginning July 1, 1994, in addition to any other annuity, benefits, or
2 retirement allowance provided pursuant to sections 86.200 to 86.366, each present and future
3 retired member after attaining the age of sixty years shall, upon application to the board of
4 trustees, be made, constituted, appointed and employed by the board of trustees as an advisor on
5 the problems of retirement, aging and other matters, for the remainder of the retired member's
6 life, and upon request of the board of trustees shall give opinions in writing or orally in response
7 to such requests as may be required.

8 2. For the performance of duties required in subsection 1 of this section, each retired
9 member employed as an advisor by the board of trustees shall be compensated monthly in an
10 amount of [ten] **fifteen** dollars per month multiplied by the number of years the retired member
11 is past the age of sixty years. The compensation provided by this subsection shall be adjusted
12 annually. No funding shall be required prior to the effective date of this benefit.

13 3. Beginning October 1, 1999, in addition to any other benefit provided to any surviving
14 spouse pursuant to sections 86.200 to 86.366, each present and future surviving spouse of a

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.

15 member after attaining the age of sixty years shall upon application to the board of trustees, be
16 made, constituted, appointed and employed by the board of trustees as an advisor on the
17 problems of retirement, aging and other matters for the remainder of the surviving spouse's life
18 or until the surviving spouse remarries, whichever is earlier, and upon request of the board of
19 trustees shall give opinions in writing or orally in response to such requests as may be required.

20 4. For the performance of duties required in subsection 3 of this section, each surviving
21 spouse of a member employed as an advisor by the board of trustees shall be compensated
22 monthly in an amount of ten dollars per month multiplied by the number of years the surviving
23 spouse is past the age of sixty years. The compensation provided by this subsection shall be
24 adjusted annually.

86.330. **1.** After each annual valuation **for plan years beginning before October 1,**
2 **2007,** the actuary engaged by the board to make the valuation required by sections 86.200 to
3 86.366, shall determine the normal contribution rate. The normal contribution rate shall be the
4 rate percent of the earnable compensation of all members obtained by deducting from the total
5 liabilities of the retirement system the amount of the assets in hand to the credit of the retirement
6 system and the present value of expected future member contributions and dividing the
7 remainder by one percent of the present value of the prospective future compensation of all
8 members as computed on the basis of mortality and service tables and interest assumptions
9 adopted by the board of trustees.

10 **2.** After each annual valuation for plan years beginning on or after October 1, 2007,
11 the actuary engaged by the board to make the valuation required by sections 86.200 to
12 86.366 shall determine the normal cost for such year using the entry age normal actuarial
13 cost method as defined in this subsection. Under the entry age normal actuarial cost
14 method, the actuarial present value of the projected benefits of each individual included
15 in an actuarial valuation is allocated on a level basis over the service of the individual
16 between entry age and assumed exit ages. The portion of this actuarial present value
17 allocated to a valuation year shall be called the normal cost.

86.333. [At the first valuation after the effective date of these amendments the actuary
2 engaged by the board of trustees shall compute the rate percent of the total earnable
3 compensation of all members which is equivalent to four percent of the amount of the total
4 unfunded benefit liability on account of all members and beneficiaries which is not dischargeable
5 by the aforesaid normal contribution made on account of such members during the remainder of
6 their active service. The rate percent originally so determined shall be known as "the accrued
7 liability contribution rate".] **1.** After each annual valuation for plan years beginning on or
8 after October 1, 2007, the actuary engaged by the board to make the valuation required
9 by sections 86.200 to 86.366 shall determine the actuarial accrued liability under the entry

10 **age normal actuarial cost method. Under the entry age normal actuarial cost method, the**
11 **actuarial present value of the projected benefits of each individual included in an actuarial**
12 **valuation is allocated on a level basis over the service of the individual between entry age**
13 **and assumed exit ages. The portion of this actuarial present value of future normal costs**
14 **is called the actuarial accrued liability.**

15 **2. As of October 1, 2007, the actuary shall determine the initial unfunded actuarial**
16 **accrued liability as the amount by which the actuarial accrued liability exceeds the**
17 **actuarial value of the assets of the retirement system. The amortization payment for the**
18 **initial unfunded actuarial accrued liability shall be determined using a thirty-year period**
19 **beginning on October 1, 2007.**

86.337. 1. The total amount payable to the retirement system for each fiscal year **ended**
2 **before October 1, 2007**, shall be not less than the normal contribution rate of the total
3 compensation earnable by all members during the year; provided, however, that the aggregate
4 payment by the said cities shall be sufficient when combined with the assets of the retirement
5 system to provide the pensions and other benefits payable during the then current year.

6 **2. The total amount payable to the retirement system for each plan year beginning**
7 **on or after October 1, 2007, shall be not less than the greater of the following:**

8 **(1) The sum of the normal cost determined under section 86.330 and the accrued**
9 **liability contributions determined under section 86.333; and**

10 **(2) The amount, when combined with the assets of the retirement system, required**
11 **to provide the pensions and other benefits payable during the then-current plan year.**

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