

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 418

97TH GENERAL ASSEMBLY

1323H.02P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 86.900, 86.990, 86.1000, 86.1010, 86.1030, 86.1100, 86.1110, 86.1150, 86.1180, 86.1210, 86.1220, 86.1230, 86.1240, 86.1250, 86.1270, 86.1310, 86.1380, 86.1420, 86.1500, 86.1530, 86.1540, 86.1580, 86.1590, 86.1610, and 86.1630, RSMo, and to enact in lieu thereof twenty-seven new sections relating to Kansas City police retirement systems.

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

Section A. Sections 86.900, 86.990, 86.1000, 86.1010, 86.1030, 86.1100, 86.1110, 2 86.1150, 86.1180, 86.1210, 86.1220, 86.1230, 86.1240, 86.1250, 86.1270, 86.1310, 86.1380, 3 86.1420, 86.1500, 86.1530, 86.1540, 86.1580, 86.1590, 86.1610, and 86.1630, RSMo, are 4 repealed and twenty-seven new sections enacted in lieu thereof, to be known as sections 86.900, 5 86.990, 86.1000, 86.1010, 86.1030, 86.1100, 86.1110, 86.1150, 86.1151, 86.1180, 86.1210, 6 86.1220, 86.1230, 86.1231, 86.1240, 86.1250, 86.1270, 86.1310, 86.1380, 86.1420, 86.1500, 7 86.1530, 86.1540, 86.1580, 86.1590, 86.1610, and 86.1630, to read as follows:

86.900. The following words and phrases as used in sections 86.900 to 86.1280 shall 2 have the following meanings unless a different meaning is plainly required by the context:

3 (1) "Accumulated contributions", the sum of all amounts deducted from the 4 compensation of a member and paid to the retirement board, together with all amounts paid to 5 the retirement board by a member or by a member's beneficiary, for the purchase of prior service 6 credits or any other purpose permitted under sections 86.900 to 86.1280;

7 (2) "Actuarial cost", the present value of a future payment or series of payments as 8 calculated by applying the actuarial assumptions established according to subsection 8 of section 9 86.1270;

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.

10 (3) "Beneficiary", any person entitled, either currently or conditionally, to receive
11 pension or other benefits provided in sections 86.900 to 86.1280;

12 (4) "Board of police commissioners", the board composed of police commissioners
13 authorized by law to employ and manage an organized police force in the cities;

14 (5) "City" or "cities", any city which now has or may hereafter have a population of more
15 than three hundred thousand and less than seven hundred thousand inhabitants, or any city that
16 has made an election under section 86.910 to continue a police retirement system maintained
17 under sections 86.900 to 86.1280;

18 (6) "Compensation", the basic wage or salary paid a member for any period on the basis
19 of the member's rank and position, excluding bonuses, overtime pay, expense allowances, and
20 other extraordinary compensation; except that, notwithstanding such provision, compensation
21 for any year for any member shall not exceed the amount permitted to be taken into account
22 under Section 401(a)(17) of the Internal Revenue Code as applicable to such year;

23 (7) "Consultant", unless otherwise specifically defined, a person retained by the
24 retirement system as a special consultant on the problems of retirement, aging and related matters
25 who, upon request of the retirement board, shall give opinions and be available to give opinions
26 in writing or orally in response to such requests, as may be needed by the board;

27 (8) "Creditable service", service qualifying as a determinant of a member's pension or
28 other benefit under sections 86.900 to 86.1280 by meeting the requirements specified in said
29 sections or section 105.691;

30 (9) "Final compensation":

31 **(a) For a Tier I member as described in subdivision (13) of this section**, the average
32 annual compensation of a member during the member's service if less than two years, or the
33 twenty-four months of service for which the member received the highest salary whether
34 consecutive or otherwise. In computing the average annual compensation of a member, [no
35 compensation for service after the thirtieth full year of membership service shall be included.]
36 **compensation shall only be included for the periods in which the member made**
37 **contributions as provided under section 86.1010 except as provided in subsection 3 of**
38 **section 86.110;**

39 **(b) For a Tier II member as described in subdivision (13) of this section**, the
40 average annual compensation of a member during the member's service if less than three
41 years, or the thirty-six months of service for which the member received the highest salary
42 whether consecutive or otherwise. In computing the average annual compensation of a
43 member, compensation shall only be included for the periods in which the member made
44 contributions as provided under section 86.1010 except as provided in subsection 3 of
45 section 86.110;

46 (c) For any period of time when a member is paid on a frequency other than monthly,
47 the member's salary for such period shall be deemed to be the monthly equivalent of the
48 member's annual rate of compensation for such period;

49 (10) "Fiscal year", for the retirement system, the fiscal year of the cities;

50 (11) "Internal Revenue Code", the United States Internal Revenue Code of 1986, as
51 amended;

52 (12) "Medical board", not less than one nor more than three physicians appointed by the
53 retirement board to arrange for and conduct medical examinations as directed by the retirement
54 board;

55 (13) "Member", a member of the police retirement system as described in section
56 86.1090[;] :

57 (a) **"Tier I member", any person who became a member prior to August 28, 2013,**
58 **and who remains a member on August 28, 2013, shall remain a Tier I member until such**
59 **member's membership is terminated as described in section 86.1130;**

60 (b) **"Tier I surviving spouse", the surviving spouse of a Tier I member;**

61 (c) **"Tier II member", any person who became a member on or after August 28,**
62 **2013;**

63 (d) **"Tier II surviving spouse", the surviving spouse of a Tier II member;**

64 (e) **Any person whose membership is terminated as described in section 86.1130**
65 **and who re-enters membership on or after August 28, 2013, shall become a member under**
66 **paragraph (c) of this subdivision;**

67 (14) "Pension", annual payments for life, payable monthly, at the times described in
68 section 86.1030;

69 (15) "Pension fund", the fund resulting from contributions made thereto by the cities
70 affected by sections 86.900 to 86.1280 and by the members of the police retirement system;

71 (16) "Police officer", an officer or member of the police department of the cities
72 employed for compensation by the boards of police commissioners of the cities for police duty
73 who holds a rank or position for which an annual salary range is provided in section 84.480 or
74 84.510; in case of dispute as to whether any person is a police officer qualified for membership
75 in the retirement system, the decision of the board of police commissioners shall be final;

76 (17) "Retirement board" or "board", the board provided in section 86.920 to administer
77 the retirement system;

78 (18) "Retirement system", the police retirement system of the cities as defined in section
79 86.910;

80 (19) "Surviving spouse", when determining whether a person is entitled to benefits under
81 sections 86.900 to 86.1280 by reason of surviving a member, shall include only:

82 (a) A person who was married to a member at the time of the member's death in the line
83 of duty or from an occupational disease arising out of and in the course of the member's
84 employment and who had not, after the member's death and prior to August 28, 2000, remarried;

85 (b) With respect to a member who retired or died prior to August 28, 1997, a spouse who
86 survives such member, whose marriage to such member occurred at least two years before the
87 member's retirement or at least two years before the member's death while in service, and who
88 had not remarried anyone other than the member prior to August 28, 2000;

89 (c) With respect to a member who retired or died while in service after August 28, 1997,
90 and before August 28, 2000, a spouse who survives such member, was married to such member
91 at the time of such member's retirement or of such member's death while in service, and had not,
92 after the member's death and prior to August 28, 2000, remarried; and

93 (d) With respect to a member who retires or dies in service after August 28, 2000, a
94 spouse who survives a member and was married to such member at the time of such member's
95 retirement or death while in service.

86.990. The retirement board shall before [January tenth] **October fifteenth** of each year
2 certify to the chief financial officer of such city the amount to be paid by the city under the
3 retirement pension system for the succeeding fiscal year, as otherwise provided by sections
4 86.900 to 86.1280.

86.1000. 1. The city shall contribute to the pension fund quarter-annually or at such
2 lesser intervals as may be agreed upon by the city and the retirement board. Such contribution
3 shall be in addition to and separate from the appropriations made by the city for the operation
4 of the police department. For each fiscal year of the operation of the pension system, the city's
5 contribution to the pension fund shall be a percentage of the compensation paid to members of
6 the pension system from which a member's deduction has been made under section 86.1010. The
7 city's contribution shall be [such percentage as shall be agreed upon by the board of police
8 commissioners and the city, but in no event shall such contribution be less than twelve percent]
9 **the total of the following amounts:**

10 (1) **Such amounts as may be necessary to meet the requirements for the annual**
11 **actuarial required contributions as determined by a qualified professional actuary selected**
12 **by the retirement board;**

13 (2) **An amount of two-hundred dollars per month for every member entitled to**
14 **receive a supplemental benefit under section 86.1230 or section 86.1231.**

15

16 **Such total of said amounts shall be certified by the retirement board to the chief financial**
17 **officer of said city as provided in section 86.990.**

18 2. On or before [the tenth day of January] **October fifteenth** of each year the retirement
19 board shall certify to the board of police commissioners the amount of money that will [likely]
20 be required to comply with the provisions of this section during the next succeeding fiscal year
21 including administration expenses. The amounts so certified shall be included by the board of
22 police commissioners in their annual budget estimate, and shall be appropriated by the cities and
23 transferred to the pension fund during the ensuing fiscal year.

 86.1010. **Except as provided in subsection 5 of section 86.1100**, the board of police
2 commissioners shall cause to be deducted from the compensation of each member [until
3 retirement] **who is accruing creditable service** a percentage of such member's compensation[,
4 which shall not be less than six percent,] as determined by the retirement board, as such
5 member's contribution to the pension fund. The sum so deducted shall be paid by the board of
6 police commissioners promptly after each payroll to the retirement board to be credited to the
7 member's account. Every member shall be deemed to consent to the deductions made and
8 provided for herein. The board of police commissioners shall certify to the retirement board on
9 every payroll the amount deducted, and such amounts shall be paid into the pension fund and
10 shall be credited to the individual pension account of the member from whose compensation
11 such deduction was made.

 86.1030. 1. All benefits and all necessary administrative expenses of the retirement
2 system shall be paid from the funds of the retirement system.

 2. The base pension of a member who, after August 28, 2011, retires from or otherwise
4 terminates active service with entitlement to a base pension under sections 86.900 to 86.1280
5 shall commence as of the first day of the month next following such retirement or termination
6 with no proration of such pension for the month in which such retirement or termination occurs.
7 The supplemental retirement benefits of a member who, after August 28, 2011, retires from or
8 otherwise terminates active service with entitlement to a supplemental retirement benefit
9 provided in subsection 1 of section 86.1230 **or as provided in section 86.1231** shall commence
10 as of the first day of the month next following such retirement or termination with no proration
11 of such supplemental retirement benefit for the month in which such retirement or termination
12 occurs.

 3. Upon the death of a member who is receiving a base pension under sections 86.900
14 to 86.1280 leaving a surviving spouse, as defined in section 86.900, entitled to benefits, payment
15 of the member's base pension including all cost-of-living adjustments thereto, prorated for that
16 portion of the month of such death in which such member was living, shall be made to such
17 surviving spouse, and the benefit for which such spouse is entitled under section 86.1240 **or**
18 **subdivision (1) of subsection 2 of section 86.1151** shall be prorated and paid to such spouse for
19 the remainder of such month.

20 4. Upon the death of a member who is receiving a base pension under sections 86.900
21 to 86.1280 leaving no surviving spouse, as defined in section 86.900, entitled to benefits,
22 payment of the member's base pension including all cost-of-living adjustments thereto, prorated
23 for that portion of the month of such death in which such member was living, shall be made in
24 equal shares to or for the benefit of the children, if any, of such member as are entitled to share
25 in spousal benefits as described in subsection 2 of section 86.1250. If no such children shall
26 survive such member, such prorated benefit for the month of such member's death shall be paid
27 to the beneficiary named by such member in a writing filed with the retirement system prior to
28 the member's death for the purpose of receiving such benefit. If no beneficiary is named, then
29 no payment shall be made of such prorated benefit for the month of such member's death.

30 5. Upon the death of a surviving spouse who is receiving a base pension under section
31 **86.1240 or subdivision (1) of subsection 2 of section 86.1151**, payment of such spouse's base
32 pension including all cost-of-living adjustments thereto, prorated for that portion of the month
33 of such death in which such spouse was living, shall be made in equal shares to or for the benefit
34 of the children, if any, of the member of whom such spouse is the surviving spouse as are entitled
35 to share in spousal benefits described in subsection 2 of section 86.1250. If no such children
36 shall survive such spouse, such prorated benefit for the month of such spouse's death shall be
37 paid to the beneficiary named by such surviving spouse in a writing filed with the retirement
38 system prior to such spouse's death for the purpose of receiving such benefit. If no beneficiary
39 is named, then no payment shall be made of such prorated benefit for the month of such spouse's
40 death.

41 6. Upon the death of a **Tier I** member who is receiving a supplemental benefit under
42 section 86.1230 **or upon the death of a Tier II member who is receiving a supplemental**
43 **benefit under section 86.1231** and who leaves a surviving spouse, as defined in section 86.900,
44 entitled to benefits, the entire supplemental benefit for the month of such death shall be paid to
45 such surviving spouse without proration, and the surviving spouse shall receive no additional
46 supplemental benefit for such month.

47 7. Upon the death of a **Tier I** member who is receiving a supplemental benefit under
48 section 86.1230 **or upon the death of a Tier II member who is receiving a supplemental**
49 **benefit under section 86.1231** and who leaves no surviving spouse, as defined in section
50 86.900, entitled to benefits, or upon the death of a surviving spouse who is receiving a
51 supplemental benefit under section 86.1230 **or section 86.1231**, such supplemental benefit shall
52 terminate upon such death. No benefit shall be payable for any period after the most recent
53 monthly payment of such benefit prior to such death.

54 8. Upon the death of a member in service who leaves a surviving spouse, as defined in
55 section 86.900, entitled to benefits, the base pension of such surviving spouse shall commence

56 as of the first day of the month next following such death with no proration of such pension for
57 the month in which such death occurs.

58 9. Upon the death of a member in service who leaves no surviving spouse, as defined
59 in section 86.900, entitled to benefits, any benefit payable to surviving children of such member
60 under subsection 2 of section 86.1250 shall commence as of the first day of the month next
61 following such death with no proration of such benefit for the month in which such death occurs.
62 If there are no such surviving children entitled to such benefit, then such member's accumulated
63 contributions shall be paid to the beneficiary named by such member in a writing filed with the
64 retirement system prior to the member's death for the purpose of receiving such benefit, or if no
65 beneficiary is named, then to such member's estate.

66 10. Upon the death of a member in service or after retirement, any benefit payable to the
67 surviving children of such member under subsection 1 of section 86.1250 shall commence as of
68 the first day of the month next following such death with no proration of such benefit for the
69 month in which such death occurs.

70 11. All payments of any benefit shall be paid on the last business day of each month for
71 that month. For any benefit under sections 86.900 to 86.1280, the retirement system shall
72 withhold payment of such benefit until all requisite documentation has been filed with the
73 retirement system evidencing the entitlement of payee to such payment.

74 12. If no benefits are otherwise payable to a surviving spouse or child of a deceased
75 member or otherwise as provided in this section, the member's accumulated contributions, to any
76 extent not fully paid to such member prior to the member's death or to the surviving spouse or
77 child of such member or otherwise as provided in this section, shall be paid in one lump sum to
78 the member's beneficiary named by such member in a writing filed with the retirement system
79 prior to the member's death for the purpose of receiving such benefit, or if no beneficiary is
80 named, then to such member's estate. Such payment shall constitute full and final payment of
81 any and all claims for benefits under the retirement system.

86.1100. 1. The retirement board shall fix and determine by proper rules and regulations
2 how much service in any year is equivalent to one year of service. In no case shall more than one
3 year of service be creditable for all service rendered in one calendar year. The retirement board
4 shall not allow credit as service for any period during which the member was absent without
5 compensation, except as provided in sections 86.1110 and 86.1140.

6 2. Except as provided in subsection 3 of section 86.1110 **or subsection 2 of section**
7 **86.1140**, creditable service at retirement on which the retirement allowance of a member is based
8 consists of the membership service rendered by such member since such member last became
9 a member **provided that no creditable service shall be allowed for any period of time when**
10 **a member was not making contributions.**

11 3. Creditable service also includes any prior service credit to which a member may be
12 entitled by virtue of an authorized purchase of such credit or as otherwise provided in sections
13 86.900 to 86.1280.

14 4. Creditable service shall not include any time a member was suspended from service
15 without compensation. No contribution is required from either the member under section
16 86.1010 or from the city under section 86.1000 for such time.

17 5. Any member [who has completed thirty years of creditable service may continue in
18 service by permission of the board of police commissioners] **in active service with the police**
19 **department on or after August 28, 2013, may accrue up to a maximum of thirty-two years**
20 **of creditable service.** Contributions shall not be required of, and no service shall be credited
21 to, any member for more than [thirty] **thirty-two** years of service.

 86.1110. 1. Whenever a member is given a leave of absence for military service and
2 returns to employment after discharge from the service, such member shall be entitled to
3 creditable service for the years of employment prior to the leave of absence.

4 2. Except as provided in subsection 3 of this section, a member who served on active
5 duty in the Armed Forces of the United States and who became a member, or returned to
6 membership, after discharge under honorable conditions, may elect prior to retirement to
7 purchase creditable service equivalent to such service in the Armed Forces, not to exceed two
8 years, provided the member is not receiving and is not eligible to receive retirement credits or
9 benefits from any other public or private retirement plan for the service to be purchased, other
10 than a United States military service retirement system or United States Social Security benefits
11 attributable to such military service, and an affidavit so stating is filed by the member with the
12 retirement system. A member electing to make such purchase shall pay to the retirement system
13 an amount equal to the actuarial cost of the additional benefits attributable to the additional
14 service credit to be purchased, as of the date the member elects to make such purchase. Payment
15 in full of the amount due from a member electing to purchase creditable service under this
16 subsection shall be made over a period not to exceed five years, measured from the date of
17 election, or prior to the commencement date for payment of benefits to the member from the
18 retirement system, whichever is earlier, including interest on unpaid balances compounded
19 annually at the interest rate assumed from time to time for actuarial valuations of the retirement
20 system. If payment in full including interest is not made within the prescribed period, any partial
21 payments made by the member shall be refunded, and no creditable service attributable to such
22 election, or as a result of any such partial payments, shall be allowed; provided that if a benefit
23 commencement date occurs because of the death or disability of a member who has made an
24 election under this subsection and if the member is current in payments under an approved
25 installment plan at the time of the death or disability, such election shall be valid if the member,

26 the surviving spouse, or other person entitled to benefit payments pays the entire balance of the
27 remaining amount due, including interest to the date of such payment, within sixty days after the
28 member's death or disability. The time of a disability shall be deemed to be the time when such
29 member is retired by the board of police commissioners for reason of disability as provided in
30 sections 86.900 to 86.1280.

31 3. Notwithstanding any other provision of sections 86.900 to 86.1280, a member who
32 is on leave of absence for military service during any portion of which leave the United States
33 is in a state of declared war, or a compulsory draft is in effect for any of the military branches
34 of the United States, or any units of the military reserves of the United States, including the
35 National Guard, are mobilized for combat military operations, and who becomes entitled to
36 reemployment rights and other employment benefits under Title 38, Chapter 43 of the U.S. Code,
37 relating to employment and reemployment rights of members of the uniformed services by
38 meeting the requirements for such rights and benefits under Section 4312 of said chapter, or the
39 corresponding provisions of any subsequent applicable federal statute, shall be entitled to service
40 credit for the time spent in such military service for all purposes of sections 86.900 to 86.1280
41 and such member shall not be required to pay any member contributions for such time. If it
42 becomes necessary for the years of such service to be included in the calculation of such
43 member's compensation for any purpose, such member shall be deemed to have received the
44 same compensation throughout such period of service as the member's base annual salary
45 immediately prior to the commencement of such leave of absence; **provided, however, that the**
46 **foregoing provisions of this subsection shall apply only to such portion of such leave with**
47 **respect to which the cumulative length of the absence and of all previous absences from a**
48 **position of employment with the employer by reason of service in the uniformed services**
49 **does not exceed five years except for such period of any such excess as meets the**
50 **requirements for exceptions to such five-year limitation set forth in the aforesaid Section**
51 **4312.**

86.1150. 1. Any **Tier I** member may retire when such member has completed
2 twenty-five or more years of creditable service [and, except as otherwise provided in section
3 86.1100, shall retire when such member has completed thirty years of creditable service]. Upon
4 such retirement such member shall receive a base pension equal to:

5 (1) For a member retiring prior to August 28, 2000, two percent of such member's final
6 compensation, as defined in section 86.900, multiplied by the number of years of such member's
7 total creditable service; or

8 (2) For a member retiring on or after August 28, 2000, **and prior to August 28, 2013,**
9 two and one-half percent of such member's final compensation, as defined in section 86.900,

10 multiplied by the number of years of such member's total creditable service. Such pension shall
11 not exceed seventy-five percent of the member's final compensation[.

12 2. Every member not having thirty years of service must retire at sixty years of age
13 except that on recommendation of the chief of police, the board of police commissioners may
14 permit such member who is sixty years of age or over to remain in service until such member
15 reaches the age of sixty-five years. Such member shall continue to make contributions and
16 receive credit for service until reaching sixty-five years of age, until retirement, or until
17 completion of thirty years of creditable service, whichever occurs first. If such member shall
18 reach sixty-five years of age or shall retire prior to completion of twenty-five years of service,
19 the base pension of such member shall be calculated under subsection 3 of this section.

20 3. Except as provided in section 86.1100 or in subsection 2 of this section,] ; or

21 **(3) For a member retiring on or after August 28, 2013, two and one-half percent of**
22 **such member's final compensation, as defined in section 86.900, multiplied by the number**
23 **of years of such member's total creditable service. Such pension shall not exceed eighty**
24 **percent of the member's final compensation.**

25 2. Any **Tier I** member in service who shall have attained sixty years of age and at that
26 time shall have completed at least ten [but less than thirty] years of creditable service [shall] **may**
27 retire and **upon such retirement** shall receive a base pension equal to:

28 (1) For a member retiring prior to August 28, 2000, two percent of such member's final
29 compensation, as defined in section 86.900, multiplied by the number of years of such member's
30 total creditable service; or

31 (2) For a member retiring on or after August 28, 2000, two and one-half percent of such
32 member's final compensation as defined in section 86.900 multiplied by the number of years of
33 such member's total creditable service.

34 [4.] 3. Subject to the provisions of subsection [5] 4 of this section, whenever the service
35 of a **Tier I** member is terminated for any reason prior to death or retirement and the member has
36 fifteen or more years of creditable service, the member may elect not to withdraw such member's
37 accumulated contributions and shall become entitled to a base pension commencing on the first
38 day of the month following the attainment of the age of fifty-five, if then living, equal to:

39 (1) For a member whose service so terminates prior to August 28, 2001, two percent of
40 such member's final compensation multiplied by the number of years of such member's
41 creditable service; or

42 (2) For a member whose service so terminates on or after August 28, 2001, two and
43 one-half percent of such member's final compensation multiplied by the number of years of such
44 member's creditable service.

45 [5.] 4. Notwithstanding any other provisions of sections 86.900 to 86.1280, any member
46 who is convicted of a felony prior to separation from active service shall not be entitled to any
47 benefit from this retirement system except the return of such member's accumulated
48 contributions.

2 **86.1151. 1. Any Tier II member may retire when such member has completed**
3 **twenty-seven or more years of creditable service. Upon such retirement such member shall**
4 **receive a base pension equal to two and one-half percent of such member's final**
5 **compensation, as defined in section 86.900, multiplied by the number of years of such**
6 **member's total creditable service. Such pension shall not exceed eighty percent of the**

7 **2. (1) A Tier II member who is married at the time of retirement may by a written**
8 **election, with the written consent of such member's spouse, elect an optional benefit**
9 **calculated as follows: such optional benefit shall be a monthly pension in the initial amount**
10 **which shall be actuarially equivalent to the actuarial value of the pension described in**
11 **subsection 1 of this section for such member at the date of retirement (including the value**
12 **of survivorship rights of a surviving spouse, where applicable, under section 86.1240), upon**
13 **the basis that the initial annuity for the member's spouse, if such spouse survives the**
14 **member, shall be:**

15 **(a) The same as the amount being paid the member at the member's death, and,**
16 **together with cost-of-living adjustments thereafter declared on the spouse's base pension**
17 **under section 86.1220, shall be paid to such surviving spouse for the lifetime of such**
18 **spouse; or**

19 **(b) Seventy-five percent of the amount being paid the member at the member's**
20 **death, and, together with cost-of-living adjustments thereafter declared on the spouse's**
21 **base pension under section 86.1220, shall be paid to such surviving spouse for the lifetime**
22 **of such spouse.**

23 **(2) If a member who elects the optional benefit permitted by this subsection also**
24 **makes an election permitted under section 86.1210, such optional benefit shall be reduced**
25 **as provided in subdivision (3) of subsection 2 of section 86.1210.**

26 **(3) If a member makes the election permitted by this subsection, the amount**
27 **calculated for such optional benefit under either subdivision (1) or (2) of this subsection**
28 **shall become the base pension for such member and for such member's spouse for all**
29 **purposes of sections 86.900 to 86.1280.**

30 **(4) An election for an optional benefit under this subsection shall be void if the**
31 **member dies within thirty days after filing such election with the retirement system or if**
32 **the member dies before the due date of the first payment of such member's pension.**

33 **3. Subject to the provisions of subsection 4 of this section, whenever the service of**
34 **a Tier II member is terminated for any reason prior to death or retirement and the**
35 **member has fifteen or more years of creditable service, the member may elect not to**
36 **withdraw such member's accumulated contributions and shall become entitled to a base**
37 **pension commencing on the first day of the month following the attainment of the age of**
38 **sixty, if then living, equal to two and one-half percent of such member's final compensation**
39 **multiplied by the number of years of such member's creditable service.**

40 **4. Notwithstanding any other provisions of sections 86.900 to 86.1280, any member**
41 **who is convicted of a felony prior to separation from active service shall not be entitled to**
42 **any benefit from this retirement system except the return of such member's accumulated**
43 **contributions.**

 86.1180. 1. Any member in active service who is permanently unable to perform the full
2 and unrestricted duties of a police officer as the natural, proximate, and exclusive result of an
3 accident occurring within the actual performance of duty at some definite time and place or
4 through an occupational disease arising exclusively out of and in the course of his or her
5 employment shall be retired by the board of police commissioners upon certification by one or
6 more physicians of the medical board that the member is mentally or physically unable to
7 perform the full and unrestricted duties of a police officer, that the inability is permanent or likely
8 to become permanent, and that the member should be retired. The inability to perform the full
9 and unrestricted duties of a police officer means that the member is unable to perform all the
10 essential job functions for the position of police officer as established by the board of police
11 commissioners.

12 **2. (1) Upon such retirement on or after August 28, 2001, and prior to August 28, 2013,**
13 **a member shall receive a base pension equal to seventy-five percent of his or her final**
14 **compensation for so long as the permanent disability shall continue, during which time such**
15 **member shall for purposes of this section be referred to as a disability beneficiary. Such pension**
16 **may be subject to offset or reduction under section 86.1190 by amounts paid or payable under**
17 **any workers' compensation law;**

18 **(2) Upon such retirement on or after August 28, 2013, a member shall receive a**
19 **base pension equal to eighty percent of his or her final compensation for so long as the**
20 **permanent disability shall continue, during which time such member shall for purposes of**
21 **this section be referred to as a disability beneficiary. Such pension may be subject to offset**
22 **or reduction under section 86.1190 by amounts paid or payable under any workers'**
23 **compensation law.**

24 **3. Once each year during the first five years following his or her retirement, and at least**
25 **once in every three-year period thereafter, the retirement board may, and upon the member's**

26 application shall, require any disability beneficiary who has not yet attained the age of sixty years
27 to undergo a medical examination at a place designated by the medical board or some member
28 thereof. If any disability beneficiary who has not attained the age of sixty years refuses to submit
29 to a medical examination his or her disability pension may be discontinued until his or her
30 withdrawal of such refusal, and if his or her refusal continues for one year, all rights in and to
31 such pension may be revoked by the retirement board.

32 4. If one or more members of the medical board certify to the retirement board that a
33 disability beneficiary is able to perform the full and unrestricted duties of a police officer, and
34 if the retirement board concurs on the report, then such beneficiary's disability pension shall
35 cease.

36 5. If upon cessation of a disability pension under subsection 4 of this section, the former
37 disability beneficiary is restored to active service, such member shall contribute to this retirement
38 system thereafter at the same rate as other members. Upon subsequent retirement, such member
39 shall be credited with all his or her creditable service, including any years in which such member
40 received a disability pension under this section.

41 6. If upon cessation of a disability pension under subsection 4 of this section, the former
42 disability beneficiary is not restored to active service, such member shall be entitled to the
43 retirement benefit to which such member would have been entitled if such member had
44 terminated service at the time of such cessation of the disability pension. For the purpose of such
45 retirement benefits, such former disability beneficiary will be credited with all his or her
46 creditable service, including any years in which such member received a disability pension under
47 this section.

86.1210. 1. Any member **in active service** entitled to commence a pension under
2 **subsection 1 of** section 86.1150 [with twenty-six years or more of creditable service] **or**
3 **subsection 1 of section 86.1151** may elect an optional distribution under the partial lump sum
4 option plan provided in this section if the member:

5 (1) Notifies the retirement system in writing of the member's retirement date at least
6 ninety days in advance thereof and requests an explanation of the member's rights under this
7 section; and

8 (2) Notifies the retirement system of the member's election hereunder at least thirty days
9 in advance of the member's retirement date.

10

11 Following receipt of an initial notice of a member's retirement date and request for an
12 explanation under this section, the retirement system shall, at least sixty days in advance of such
13 retirement date, provide the member a written explanation of the member's rights under this
14 section and an estimate of the amount by which the member's regular monthly base pension

15 would be reduced in the event of the member's election of any of the options available to the
16 member under this section.

17 2. (1) A member entitled to make an election under this section may elect to receive a
18 lump sum distribution with the member's initial monthly pension payment under **subsection 1**
19 **of section 86.1150 or subsection 1 of section 86.1151**, subject to all the terms of this section.
20 The member may elect the amount of the member's lump sum distribution from one, but not
21 more than one, of the following options for which the member qualifies:

22 (a) A member having [twenty-six or more years of creditable service] **one or more years**
23 **of creditable service after the member's eligible retirement date** may elect a lump sum
24 amount equal to twelve times the initial monthly base pension the member would receive if no
25 election were made under this section;

26 (b) A member having [twenty-seven] **two** or more years of creditable service **after the**
27 **member's eligible retirement date** may elect a lump sum amount equal to twenty-four times
28 the initial monthly base pension the member would receive if no election were made under this
29 section; or

30 (c) A member having [twenty-eight] **three** or more years of creditable service **after the**
31 **member's eligible retirement date** may elect a lump sum amount equal to thirty-six times the
32 initial monthly base pension the member would receive if no election were made under this
33 section.

34

35 **For purposes of this section, "eligible retirement date" for a member shall mean the**
36 **earliest date on which the member could elect to retire and be entitled to receive a pension**
37 **under subsection 1 of section 86.1150 or subsection 1 of section 86.1151.**

38 (2) When a member makes an election to receive a lump sum distribution under this
39 section, the base pension which the member would have received in the absence of the election
40 shall be reduced on an actuarially equivalent basis to reflect the payment of the lump sum
41 distribution, and the reduced base pension shall be the member's base pension thereafter for all
42 purposes relating to base pension amounts under sections 86.900 to 86.1280, **unless the member**
43 **has also elected an optional benefit permitted under subdivision (1) of subsection 2 of**
44 **section 86.1151;**

45 (3) **If a member electing a lump sum distribution under this section has elected the**
46 **optional benefit permitted under subdivision (1) of subsection 2 of section 86.1151, the**
47 **calculation of the member's pension shall be made in the following order:**

48 (a) **The amount of the member's normal pension under subsection 1 of section**
49 **86.1151 shall be reduced to the actuarially equivalent amount to produce the optional form**
50 **of benefit described in subdivision (1) of subsection 2 of section 86.1151, and**

51 **(b) The amount of reduced pension as determined under paragraph (a) of this**
52 **subdivision shall be further reduced as required to produce an actuarially equivalent**
53 **benefit in the form of the lump sum distribution option elected under this section which**
54 **will include the lump sum benefit and the optional benefit elected under subdivision (1) of**
55 **subsection 2 of section 86.1151, and, subject to cost-of-living adjustments thereafter**
56 **declared on the spouse's base pension under section 86.1220, shall be paid to such surviving**
57 **spouse for the lifetime of such spouse.**

58 3. An election under this section to receive a lump sum distribution and reduced monthly
59 base pension shall be void if the member dies before retirement, and in such case amounts due
60 a surviving spouse or other beneficiary of the member shall be determined without regard to such
61 election.

 86.1220. 1. Provided that the retirement system shall remain actuarially sound, each of
2 the following persons may receive [each year], in addition to such person's base pension, a
3 cost-of-living adjustment in an amount not to exceed three percent of such person's base pension
4 during any one year:

5 (1) Every **Tier I** member who is retired and receiving a base pension from the retirement
6 system; **and**

7 (2) Every **Tier I** surviving spouse who is receiving a base pension from the retirement
8 system[]; **and**

9 (3) Every child who, under subsection 2 of section 86.1250, is receiving the benefit, or
10 a portion thereof, which would be payable to a surviving spouse of the member who was such
11 child's parent].

12 **2. Provided that the retirement system shall remain actuarially sound, each of the**
13 **following persons may receive, in addition to such person's base pension, a cost-of-living**
14 **adjustment in an amount not to exceed three percent of such person's base pension during**
15 **any one year as follows:**

16 (1) Every **Tier II** member who retired with at least thirty-two years of creditable
17 service shall be eligible in the year following retirement; **and**

18 (2) Every **Tier II** member who retired under subsection 1 of section 86.1151 with
19 less than thirty-two years of creditable service shall be eligible in the year following the
20 year in which they would have attained thirty-two years of creditable service had such
21 member remained in active service; **and**

22 (3) Every **Tier II** member who retired under section] shall be eligible in the year
23 following retirement; **and**

24 (4) Every **Tier II** member who retired under section 86.1200 shall be eligible in the
25 earlier of the year following the fifth year after retirement or the year following the year

26 in which they would have attained thirty-two years of creditable service had such member
27 remained in active service; and

28 (5) Every Tier II member who retired under subsection 3 of section 86.1151 shall
29 be eligible in the year following the fifth year after retirement; and

30 (6) (a) Every Tier II surviving spouse of a member who, at the member's death,
31 was receiving benefits including cost-of-living adjustments shall be eligible in the year
32 following the most recent year when the decedent received a cost-of-living adjustment; and

33 (b) Every Tier II surviving spouse of a member who, at the member's death, was
34 receiving benefits but who was not yet eligible for cost-of-living adjustments shall be
35 eligible in the year when the decedent member would have become eligible had such
36 decedent survived; and

37 (c) Every Tier II surviving spouse entitled to the benefit provided in subsection 1
38 of section 86.1260 shall be eligible in the year following the year of the member's death;
39 and

40 (d) Every Tier II surviving spouse of a member who died with less than twenty-
41 seven years of creditable service, entitled to benefits provided in subsection 1 of section
42 86.1240, and who is not eligible for the benefit provided in subsection 1 of section 86.1260,
43 shall be eligible in the year following the fifth year after the member's death; and

44 (e) Every Tier II surviving spouse of a member who died with twenty-seven or more
45 years of creditable service, entitled to benefits provided in subsection 1 of section 86.1240,
46 and who is not eligible for the benefit provided in subsection 1 of section 86.1260, shall be
47 eligible the later of the year following the year of the member's death or the year following
48 the year in which the member would have attained thirty-two years of creditable service
49 had such member remained in active service.

50 3. Provided that the retirement system shall remain actuarially sound, every child
51 who, under subsection 2 of section 86.1250, is receiving the benefit, or a portion thereof,
52 which would be payable to a surviving spouse of the member who was such child's parent,
53 may receive each year such cost-of-living adjustment on such benefit as would have been
54 payable on such benefit, or portion thereof, to such surviving spouse if living.

55 4. Upon the death of a Tier I member who has been retired and receiving a pension and
56 who dies after September 28, 1987, the surviving spouse of such member entitled to receive a
57 base pension under section 86.1240 or children of such member entitled to receive a base
58 pension under subsection 2 of section 86.1250 shall receive an immediate percentage
59 cost-of-living adjustment to their respective base pension equal to the total percentage
60 cost-of-living adjustments received during such member's lifetime under this section, except that
61 the adjustment provided by this subsection shall not be made to a base pension calculated under

62 either subdivision (1) or paragraph (b) of subdivision (2) of subsection 2 of section 86.1240,
63 either for a surviving spouse or for a child or children entitled to a base pension measured by the
64 pension to which a qualified surviving spouse would be entitled, wherein such base pension is
65 determined by a percentage of the amount being received by the deceased member at death.

66 **5. Upon the death of a Tier II member who has been retired and receiving a**
67 **pension, the surviving spouse of such member entitled to receive a base pension under**
68 **section 86.1240 or children of such member entitled to receive a base pension under**
69 **subsection 2 of section 86.1250 shall receive an immediate percentage cost-of-living**
70 **adjustment to their respective base pension equal to the total percentage cost-of-living**
71 **adjustments received during such member's lifetime under this section, except that the**
72 **adjustment provided by this subsection shall not apply for any surviving spouse, or for a**
73 **child or children entitled to benefits which would be received by a qualified surviving**
74 **spouse, receiving a benefit pursuant to an election made under subdivision (1) of subsection**
75 **2 of section 86.1151.**

76 [3.] 6. For purposes of this section, the term "base pension" shall mean:

77 (1) For a member, the pension computed under the provisions of the law as of the date
78 of retirement without regard to cost-of-living adjustments, as adjusted, if applicable, for any
79 election made under **subdivision (1) of subsection 2 of section 86.1151** or section 86.1210, but
80 in all events not including any supplemental benefit under section 86.1230 **or section 86.1231**;

81 (2) For a surviving spouse, the base pension calculated for such spouse in accordance
82 with the provisions of section 86.1240 **or subdivision (3) of subsection 2 of section 86.1151**,
83 including any compensation as a consultant to which such surviving spouse is entitled under said
84 section in lieu of a pension thereunder, but not including any supplemental benefit under section
85 86.1230 **or section 86.1231**; and

86 (3) For a member's surviving child who is entitled to receive part or all of the pension
87 which would be received by the surviving spouse, if living, the base pension calculated for such
88 surviving spouse in accordance with the provisions of section 86.1240 **or subdivision (3) of**
89 **subsection 2 of section 86.1151**, including any compensation as a consultant to which such
90 spouse would be entitled under said section, if living, divided by the number of surviving
91 children entitled to share in such pension under subsection 2 of section 86.1250.

92 [4.] 7. The cost-of-living adjustment shall be an increase or decrease computed on the
93 base pension amount by the retirement board in an amount that the board, in its discretion,
94 determines to be satisfactory, but in no event shall the adjustment be more than three percent or
95 reduce the pension to an amount less than the base pension. In determining and granting the
96 cost-of-living adjustments, the retirement board shall adopt such rules and regulations as may
97 be necessary to effectuate the purposes of this section, including provisions for the manner of

98 computation of such adjustments and the effective dates thereof. The retirement board shall
99 provide for such adjustments to be determined once each year and granted on a date or dates to
100 be chosen by the board, and may apply such adjustments in full to **eligible members as provided**
101 **in subsections 1 and 2 of this section** who have retired during the year prior to such adjustments
102 but who have not been retired for one full year and to the surviving spouse or applicable children
103 of a member who has died during the year prior to such adjustments.

104 [5.] **8.** The determination of whether the retirement system will remain actuarially sound
105 shall be made at the time any cost-of-living adjustment is granted. If at any time the retirement
106 system ceases to be actuarially sound, pension payments shall continue as adjusted by increases
107 theretofore granted. A member of the retirement board shall have no personal liability for
108 granting increases under this section if that retirement board member in good faith relied and
109 acted upon advice of a qualified actuary that the retirement system would remain actuarially
110 sound.

111 [6.] **9.** If any benefit under subsection 1 of section 86.1250 on August 27, 2005, would
112 be reduced by application of this section, such benefit shall continue thereafter without reduction,
113 but any benefit so continued shall terminate at the time prescribed in subsection 1 of section
114 86.1250.

86.1230. 1. Any **Tier I** member who retires subsequent to August 28, 1991, with
2 entitlement to a pension under sections 86.900 to 86.1280, shall receive, in addition to such
3 member's base pension and cost-of-living adjustments thereto under section 86.1220, and in
4 addition to any other compensation or benefit to which such member may be entitled under
5 sections 86.900 to 86.1280, a supplemental retirement benefit of fifty dollars per month. The
6 amount of such supplemental retirement benefit may be adjusted by cost-of-living adjustments
7 determined by the retirement board not more frequently than annually.

8 2. Any **Tier I** member who was retired on or before August 28, 1991, and is receiving
9 retirement benefits from the retirement system shall, upon application to the retirement board,
10 be retained as a consultant, and for such services such member shall receive, in addition to such
11 member's base pension and cost-of-living adjustments thereto under section 86.1220, and in
12 addition to any other compensation or benefit to which such member may be entitled under
13 sections 86.900 to 86.1280, a supplemental compensation in the amount of fifty dollars per
14 month. This appointment as a consultant shall in no way affect any member's eligibility for
15 retirement benefits under the provisions of sections 86.900 to 86.1280, or in any way have the
16 effect of reducing retirement benefits otherwise payable to such member. The amount of such
17 supplemental compensation under this subsection may be adjusted by cost-of-living adjustments
18 determined by the retirement board not more frequently than annually.

19 3. For purposes of subsections 1 and 2 of this section, the term "member" shall include
20 a surviving spouse entitled to a benefit under sections 86.900 to 86.1280 who shall be deemed
21 to have retired for purposes of this section on the date of retirement of the member of whom such
22 person is the surviving spouse or on the date of death of such member if such member died prior
23 to retirement; provided, that if the surviving spouse of any member who retired prior to August
24 28, 2000, shall not have remarried prior to August 28, 2000, but remarries thereafter, such
25 surviving spouse shall thereafter receive benefits under subsection 2 of this section, and provided
26 further, that no benefits shall be payable under this section to the surviving spouse of any
27 member who retired prior to August 28, 2000, if such surviving spouse was at any time remarried
28 after the member's death and prior to August 28, 2000. All benefits payable to a surviving
29 spouse under this section shall be in addition to all other benefits to which such surviving spouse
30 may be entitled under other provisions of sections 86.900 to 86.1280. Any such surviving spouse
31 of a member who dies while entitled to payments under this section shall succeed to the full
32 amount of payment under this section to which such member was entitled at the time of such
33 member's death, including any cost-of-living adjustments received by such member in the
34 payment under this section prior to such member's death. In all events, the term "member" shall
35 not include any children of the member who would be entitled to receive part or all of the
36 pension which would be received by a surviving spouse if living.

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

55 provisions of sections 86.900 to 86.1280, and who is the surviving spouse of a member who
56 qualified, or would have qualified if living, for compensation under this subsection. Such
57 surviving spouse shall, upon application to the retirement board, be retained as a consultant, and
58 for such services shall be compensated in an amount equal to the compensation which would
59 have been received by the member under this subsection, if living. Any such surviving spouse
60 of a member who dies while entitled to payments under this subsection shall succeed to the full
61 amount of payment under this subsection to which such member was entitled at the time of such
62 member's death, including any cost-of-living adjustments received by such member in the
63 payment under this subsection prior to such member's death. In all events, the term "member"
64 shall not include any children of the member who would be entitled to receive part or all of the
65 pension that would be received by a surviving spouse, if living.

66 5. A surviving spouse who is entitled to benefits under the provisions of subsection 1 of
67 section 86.1240 as a result of the death prior to August 28, 2007, of a member in service, and
68 who is receiving benefits from the retirement system, shall, upon application to the retirement
69 board, be retained as a consultant, and for such services such surviving spouse shall receive each
70 month an equalizing supplemental compensation of ten dollars per month. A surviving spouse
71 entitled to benefits under the provisions of subsection 1 of section 86.1240 as a result of the
72 death of a member in service on or after August 28, 2007, shall receive each month an equalizing
73 supplemental benefit of ten dollars per month. All benefits payable to a surviving spouse under
74 this subsection shall be in addition to all other benefits to which such surviving spouse may be
75 entitled under other provisions of sections 86.900 to 86.1280 and shall in no way have the effect
76 of reducing benefits otherwise payable to such surviving spouse. The amount of equalizing
77 supplemental benefit or equalizing supplemental compensation under this subsection may be
78 adjusted by cost-of-living adjustments, determined by the retirement board not more frequently
79 than annually, but in no event shall the aggregate of such equalizing supplemental benefit or
80 compensation together with all such cost-of-living adjustments thereto exceed twenty-five
81 percent of the base pension of the surviving spouse. Each cost-of-living adjustment to an
82 equalizing supplemental benefit or compensation under this subsection shall be determined
83 independently of any cost-of-living adjustment to any other benefit under sections 86.900 to
84 86.1280. In all events the term "surviving spouse" as used in this subsection shall not include
85 any children of the member who would be entitled to receive part or all of the pension that would
86 be received by a surviving spouse, if living.

87 6. In determining and granting the cost-of-living adjustments under this section, the
88 retirement board shall adopt such rules and regulations as may be necessary to effectuate the
89 purposes of this section, including provisions for the manner of computation of such adjustments
90 and the effective dates thereof. The retirement board shall provide for such adjustments to be

91 determined once each year and granted on a date or dates to be chosen by the board. The
92 retirement board shall not be required to prorate the initial adjustment to any benefit or
93 compensation under this section for any member.

94 7. The determination of whether the retirement system will remain actuarially sound
95 shall be made at the time any cost-of-living adjustment under this section is granted. If at any
96 time the retirement system ceases to be actuarially sound, any benefit or compensation payments
97 provided under this section shall continue as adjusted by increases or decreases theretofore
98 granted. A member of the retirement board shall have no personal liability for granting increases
99 under this section if that retirement board member in good faith relied and acted upon advice of
100 a qualified actuary that the retirement system would remain actuarially sound.

**86.1231. Any Tier II member who retires with entitlement to a pension under
2 sections 86.900 to 86.1280, shall receive, in addition to such member's base pension and
3 cost-of-living adjustments thereto under section 86.1220, and in addition to any other
4 compensation or benefit to which such member may be entitled under sections 86.900 to
5 86.1280, a supplemental retirement benefit of two hundred dollars per month. For
6 purposes of this section, the term "member" shall include a surviving spouse entitled to a
7 benefit under sections 86.900 to 86.1280 as a Tier II surviving spouse. All benefits payable
8 to a surviving spouse under this section shall be in addition to all other benefits to which
9 such surviving spouse may be entitled under other provisions of sections 86.900 to 86.1280.
10 Any such surviving spouse of a member who dies while entitled to payments under this
11 section shall succeed to the full amount of payment under this section to which such
12 member was entitled at the time of such member's death. In all events, the term "member"
13 shall not include any children of the member who would be entitled to receive part or all
14 of the pension which would be received by a surviving spouse, if living.**

86.1240. 1. Upon receipt of the proper proofs of death of a member in service for any
2 reason whatsoever, there shall be paid to such member's surviving spouse, if any, in addition to
3 all other benefits but subject to subsection 6 of this section, a base pension equal to forty percent
4 of the final compensation of such member, subject to adjustments, if any, as provided in section
5 86.1220.

6 2. (1) Upon receipt of the proper proofs of death of a **Tier I** member who was retired
7 or terminated service after August 28, 1999, and died after having become entitled to benefits
8 from this retirement system, there shall be paid to such member's surviving spouse, if any, in
9 addition to all other benefits but subject to subsection 6 of this section, a base pension equal to
10 eighty percent of the pension being received by such member, including cost-of-living
11 adjustments to such pension but excluding supplemental retirement benefits, at the time of such
12 member's death, subject to subsequent adjustments, if any, as provided in section 86.1220. The

13 pension provided by this subdivision shall terminate upon remarriage by the surviving spouse
14 prior to August 28, 2000.

15 (2) (a) Upon receipt of the proper proof of death of a **Tier I** member who retired or
16 terminated service on or before August 28, 1999, and who died after August 28, 1999, and after
17 having become entitled to benefits from this retirement system, such member's surviving spouse,
18 if any, shall be entitled to a base pension equal to forty percent of the final compensation of such
19 member.

20 (b) Such a surviving spouse shall, upon application to the retirement board, be appointed
21 by the retirement board as a consultant and be compensated in an amount equal to the benefits
22 such spouse would receive under subdivision (1) of this subsection if the member had retired or
23 terminated service after August 28, 1999.

24 (c) The benefits provided by this subdivision shall terminate upon remarriage by the
25 surviving spouse prior to August 28, 2000.

26 **(3) Upon receipt of the proper proof of death of a Tier II member after retirement**
27 **who has not elected the optional annuity permitted under subdivision (1) of subsection 2**
28 **of section 86.1151, such member's surviving spouse, shall be entitled to a base pension**
29 **payable for life equaling fifty percent of the member's base pension.**

30 3. In the case of any member who, prior to August 28, 2000, died in service or retired,
31 the surviving spouse who would qualify for benefits under subsection 1 or 2 of this section but
32 for remarriage, and who has not remarried prior to August 28, 2000, but remarries thereafter,
33 shall upon application be appointed by the retirement board as a consultant. For services as such
34 consultant, such surviving spouse shall be compensated in an amount equal to the benefits such
35 spouse would have received under sections 86.900 to 86.1280 in the absence of such remarriage.

36 4. Upon the death of any member who is in service after August 28, 2000, and who
37 either had at least twenty-five years of creditable service or was retired or died as a result of an
38 injury or illness occurring in the line of duty or course of employment under section 86.1180, the
39 surviving spouse's benefit provided under this section, without including any supplemental
40 retirement benefits paid such surviving spouse by this retirement system, shall be six hundred
41 dollars per month. For any member who died, retired or terminated service on or before August
42 28, 2000, and who either had at least twenty-five years of creditable service or was retired or died
43 as a result of an injury or illness occurring in the line of duty or course of employment under
44 section 86.1180, the surviving spouse shall upon application to the retirement board be appointed
45 by the retirement board as a consultant. For services as such consultant, the surviving spouse
46 shall, beginning the later of August 28, 2000, or the time the appointment is made under this
47 subsection, be compensated in an amount which without including supplemental retirement
48 benefits provided by this system shall be six hundred dollars monthly. A pension benefit under

49 this subsection shall be paid in lieu of any base pension as increased by cost-of-living
50 adjustments granted under section 86.1220. The benefit under this subsection shall not be
51 subject to cost-of-living adjustments, but shall be terminated and replaced by the base pension
52 and cost-of-living adjustments to which such spouse would otherwise be entitled at such time
53 as the total base pension and such adjustments exceed six hundred dollars monthly.

54 5. A surviving spouse who is entitled to benefits under the provisions of subsection 1 of
55 this section as a result of the death on or before August 28, 2009, of a member in service who
56 is receiving benefits under sections 86.900 to 86.1280 and who does not qualify under the
57 provisions of subsection 4 of this section shall, upon application to the retirement board, be
58 appointed as a consultant, and for such services such surviving spouse shall be compensated in
59 an amount which, without including any supplemental retirement benefits provided by sections
60 86.900 to 86.1280, shall be six hundred dollars monthly. A pension benefit under this subsection
61 shall be paid in lieu of any base pension as increased by cost-of-living adjustments granted under
62 section 86.1220. The benefit under this subsection shall not be subject to cost-of-living
63 adjustments, but shall be terminated and replaced by the base pension and cost-of-living
64 adjustments to which such surviving spouse would otherwise be entitled at such time as the total
65 base pension and such adjustments exceed six hundred dollars monthly. As used in this
66 subsection, "surviving spouse" shall not include any children of the member who would be
67 entitled to receive part or all of the pension that would be received by a surviving spouse, if
68 living.

69 6. Any beneficiary of benefits under sections 86.900 to 86.1280 who becomes the
70 surviving spouse of more than one member shall be paid all benefits due a surviving spouse of
71 that member whose entitlements produce the largest surviving spouse benefits for such
72 beneficiary but shall not be paid surviving spouse benefits as the surviving spouse of more than
73 one member.

86.1250. 1. (1) Upon the death of a member in service or after retirement, such
2 member's child or children under the age of eighteen years at the time of the member's death shall
3 be paid fifty dollars per month each until he or she shall attain the age of eighteen years;
4 however, each such child who is or becomes a full-time student at an accredited educational
5 institution shall continue to receive payments under this section for so long as such child shall
6 remain such a full-time student or shall be in a summer or other vacation period scheduled by
7 the institution with intent by such child, demonstrated to the satisfaction of the retirement board,
8 to return to such full-time student status upon the resumption of the institution's classes
9 following such vacation period, but in no event shall such payments be continued after such child
10 shall attain the age of twenty-one years except as hereinafter provided.

11 (2) Any child eighteen years of age or older, who is physically or mentally incapacitated
12 from wage earning, so long as such incapacity exists as certified by a member of the medical
13 board, shall be entitled to the same benefits as a child under the age of eighteen. For purposes
14 of this section, a determination of whether a child of a member is physically or mentally
15 incapacitated from wage earning so that the child is entitled to benefits under this section shall
16 be made at the time of the member's death. If a child becomes incapacitated after the member's
17 death, or if a child's incapacity existing at the member's death is removed and such child later
18 becomes incapacitated again, such child shall not be entitled to benefits as an incapacitated child
19 under the provisions of this section. A child shall be deemed incapacitated only for so long as
20 the incapacity existing at the time of the member's death continues.

21 (3) Notwithstanding any other law to the contrary, amounts payable under subdivision
22 (1) or (2) of this subsection shall not be subject to offset or reduction by amounts paid or payable
23 under any workers' compensation or similar law.

24 2. Upon or after the death of a member in service or after retirement with entitlement to
25 benefits, if there is no surviving spouse or if a surviving spouse dies, the total amount, including
26 any amounts receivable as consulting compensation, but not including any supplemental benefits
27 under section 86.1230 **for a Tier I member or section 86.1231 for a Tier II member**, which
28 would be received by a qualified surviving spouse or which is being received by the surviving
29 spouse at the date of death of such surviving spouse shall be added to the amounts received by
30 and shall be divided among the children of such member under the age of eighteen years and the
31 incapacitated children in equal shares. As each such child attains the age of eighteen years or
32 has such incapacity removed, such total amount shall then be divided among the remaining such
33 children, until there is no remaining child of such member under the age of eighteen years or
34 incapacitated, at which time all benefits for children of such member under this subsection shall
35 cease.

36 3. Upon the death of a member in service or after retirement, a funeral benefit of one
37 thousand dollars shall be paid to the person or entity who provided or paid for the funeral
38 services for such member.

86.1270. 1. A retirement plan under sections 86.900 to 86.1280 is a qualified plan under
2 the provisions of applicable federal law. The benefits and conditions of a retirement plan under
3 sections 86.900 to 86.1280 shall always be adjusted to ensure that the tax-exempt status is
4 maintained.

5 2. The retirement board shall administer the retirement system in a manner as to retain
6 at all times qualified status under Section 401(a) of the Internal Revenue Code.

7 3. The retirement board shall hold in trust the assets of the retirement system for the
8 exclusive benefit of the members and their beneficiaries and for defraying reasonable

9 administrative expenses of the system. No part of such assets shall, at any time prior to the
10 satisfaction of all liabilities with respect to members and their beneficiaries, be used for or
11 diverted to any purpose other than such exclusive benefit or to any purpose inconsistent with
12 sections 86.900 to 86.1280.

13 4. A member's benefit shall be one hundred percent vested and nonforfeitable upon the
14 member's attainment of normal retirement age, which shall be the earlier of:

15 (1) Completion of twenty-five years of service **for Tier I members and twenty-seven**
16 **years of service for Tier II members;**

17 (2) Age sixty [if the] **for any Tier I member who** has completed at least ten years of
18 **creditable service or age sixty for any Tier II member who has completed at least fifteen**
19 **years of creditable service;**

20 (3) Age seventy without regard to years of service; or

21 (4) To the extent funded, upon the termination of the system established under sections
22 86.900 to 86.1280 or any partial termination which affects the members or any complete
23 discontinuance of contributions by the city to the system.

24

25 Amounts representing forfeited nonvested benefits of terminated members shall not be used to
26 increase benefits payable from the system but may be used to reduce contributions for future plan
27 years.

28 5. Distribution of benefits shall begin not later than April first of the year following the
29 later of the calendar year during which the member becomes seventy and one-half years of age
30 or the calendar year in which the member retires, and shall otherwise conform to Section
31 401(a)(9) of the Internal Revenue Code.

32 6. A member or beneficiary of a member shall not accrue a service retirement annuity,
33 disability retirement annuity, death benefit, whether death occurs in the line of duty or otherwise,
34 or any other benefit under sections 86.900 to 86.1280 in excess of the benefit limits applicable
35 to the fund under Section 415 of the Internal Revenue Code. The retirement board shall reduce
36 the amount of any benefit that exceeds those limits by the amount of the excess. If the total
37 benefits under the retirement system and the benefits and contributions to which any member is
38 entitled under any other qualified plan or plans maintained by the board of police commissioners
39 that employs the member would otherwise exceed the applicable limits under Section 415 of the
40 Internal Revenue Code, the benefits the member would otherwise receive from the retirement
41 system shall be reduced to the extent necessary to enable the benefits to comply with Section 415
42 of the Internal Revenue Code.

43 7. The total salary taken into account for any purpose for any member of the retirement
44 system shall not exceed two hundred thousand dollars per year, subject to periodic adjustments

45 in accordance with guidelines provided by the United States Secretary of the Treasury, and shall
46 not exceed such other limits as may be applicable at any given time under Section 401(a)(17) of
47 the Internal Revenue Code.

48 8. If the amount of any benefit is to be determined on the basis of actuarial assumptions
49 that are not otherwise specifically set forth for that purpose in sections 86.900 to 86.1280, the
50 actuarial assumptions to be used are those earnings and mortality assumptions being used on the
51 date of the determination by the retirement system's actuary and approved by the retirement
52 board. The actuarial assumptions being used at any particular time shall be attached as an
53 addendum to a copy of the retirement system's statute that is maintained by the retirement board
54 and shall be treated for all purposes as a part of sections 86.900 to 86.1280. The actuarial
55 assumptions may be changed by the retirement system's actuary annually if approved by the
56 retirement board, but a change in actuarial assumptions shall not result in any decrease in
57 benefits accrued as of the effective date of the change.

58 9. Any member or beneficiary who is entitled to receive any distribution that is an
59 eligible rollover distribution, as defined by Section 402(c)(4) of the Internal Revenue Code, is
60 entitled to have that distribution transferred directly to another eligible retirement plan of the
61 member's or beneficiary's choice upon providing direction to the secretary of this retirement
62 system regarding the transfer in accordance with procedures established by the retirement board.

63 10. For all distributions made after December 31, 2001:

64 (1) For the purposes of subsection 9 of this section, an eligible retirement plan shall also
65 mean an annuity contract described in Section 403(b) of the Internal Revenue Code and an
66 eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by the state,
67 political subdivision of a state, or any agency or instrumentality of a state or political subdivision
68 of a state and which agrees to separately account for amounts transferred into such plan from the
69 retirement system. The definition of eligible retirement plan shall also apply in the case of a
70 distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee
71 under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue
72 Code; and

73 (2) For purposes of subsection 9 of this section, a portion of a distribution shall not fail
74 to be an eligible rollover distribution merely because the portion consists of after-tax employee
75 contributions which are not includable in gross income. However, such portion may be paid only
76 to an individual retirement account or annuity described in Section 408(a) or 408(b) of the
77 Internal Revenue Code, or to a qualified defined contribution plan described in Section 401(a)
78 or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so
79 transferred, including separately accounting for the portion of such distribution that is includable
80 in gross income and the portion of such distribution that is not so includable.

86.1310. The following words and phrases as used in sections 86.1310 to 86.1640 shall have the following meanings unless a different meaning is plainly required by the context:

- 2 (1) "Accumulated contributions", the sum of all amounts deducted from the
3 compensation of a member and paid to the retirement board, together with all amounts paid to
4 the retirement board by a member or by a member's beneficiary for the purchase of prior service
5 credits or any other purpose permitted under sections 86.1310 to 86.1640, in all cases with
6 interest, if any, thereon at a rate determined from time to time for such purpose by the retirement
7 board;
8
- 9 (2) "Actuarial cost", the present value of a future payment or series of payments as
10 calculated by applying the actuarial assumptions established according to subsection 8 of section
11 86.1630;
- 12 (3) "Beneficiary", any person entitled, either currently or conditionally, to receive
13 pension or other benefits provided in sections 86.1310 to 86.1640;
- 14 (4) "Board of police commissioners", the board composed of police commissioners
15 authorized by law to employ and manage an organized police force in the cities;
- 16 (5) "City" or "cities", any city which now has or may hereafter have a population of more
17 than three hundred thousand and less than seven hundred thousand inhabitants, or any city that
18 has made an election under section 86.1320 to continue a civilian employees' retirement system
19 theretofore maintained under sections 86.1310 to 86.1640;
- 20 (6) "Compensation", the basic wage or salary paid a member for any period, excluding
21 bonuses, overtime pay, expense allowances, and other extraordinary compensation; except that,
22 notwithstanding such provision, compensation for any year for any member shall not exceed the
23 amount permitted to be taken into account under Section 401(a)(17) of the Internal Revenue
24 Code as applicable to such year;
- 25 (7) "Consultant", unless otherwise specifically defined, means a person retained by the
26 retirement system as a special consultant on the problems of retirement, aging and related matters
27 who, upon request of the retirement board, shall give opinions and be available to give opinions
28 in writing or orally in response to such requests, as may be needed by the board;
- 29 (8) "Creditable service", service qualifying as a determinant of a member's pension or
30 other benefit under sections 86.1310 to 86.1640 by meeting the requirements specified in such
31 sections, or section 105.691;
- 32 (9) "Employee", any regularly appointed civilian employee of the police department of
33 the city as specified in sections 86.1310 to 86.1640 who is:
 - 34 (a) Appointed prior to August 28, 2011, and is not eligible to receive a pension from the
35 police retirement system of said city;

36 (b) Appointed on or after August 28, 2011, and is not eligible to receive a pension from
37 the police retirement system of such city or from any other retirement or pension system of such
38 city;

39 (10) "Final compensation"[,] :

40 **(a) For a Tier I member as described in subdivision (13) of this section,** the average
41 annual compensation of a member during the member's service if less than two years, or the
42 twenty-four months of service for which the member received the highest salary whether
43 consecutive or otherwise[.] ;

44 **(b) For a Tier II member as described in subdivision (13) of this section, the**
45 **average annual compensation of a member during the member's service if less than three**
46 **years, or the thirty-six months of service for which the member received the highest salary**
47 **whether consecutive or otherwise;**

48 **(c) For any period of time when a member is paid on a frequency other than monthly,**
49 **the member's salary for such period shall be deemed to be the monthly equivalent of the**
50 **member's annual rate of compensation for such period;**

51 (11) "Internal Revenue Code", the United States Internal Revenue Code of 1986, as
52 amended;

53 (12) "Medical board", not less than one nor more than three physicians appointed by the
54 retirement board to arrange for and conduct medical examinations as directed by the retirement
55 board;

56 (13) "Member", a member of the civilian employees' retirement system as described in
57 section 86.1480[.] :

58 **(a) "Tier I member", any person who became a member prior to August 28, 2013,**
59 **and who remains a member on August 28, 2013, shall remain a Tier I member until such**
60 **member's membership is terminated as described in section 86.1520;**

61 **(b) "Tier I surviving spouse", the surviving spouse of a Tier I member;**

62 **(c) "Tier II member", any person who became a member on or after August 28,**
63 **2013;**

64 **(d) "Tier II surviving spouse", the surviving spouse of a Tier II member;**

65 **(e) Any person whose membership is terminated as described in section 86.1520**
66 **and who re-enters membership on or after August 28, 2013, shall become a member under**
67 **paragraph (c) of this subdivision;**

68 (14) "Pension", annual payments for life, payable monthly, at the times described in
69 section 86.1420;

70 (15) "Pension fund", the fund resulting from contributions made thereto by the cities
71 affected by sections 86.1310 to 86.1640 and by the members of the civilian employees'
72 retirement system;

73 (16) "Retirement", termination of a member's status as an employee of the police
74 department of the city at a time when the member or the member's beneficiary is immediately
75 entitled to one or more benefits under sections 86.1310 to 86.1640;

76 (17) "Retirement board" or "board", the board provided in section 86.1330 to administer
77 the retirement system;

78 (18) "Retirement system", the civilian employees' retirement system of the police
79 department of the cities as defined in section 86.1320;

80 (19) "Surviving spouse", when determining whether a person is entitled to benefits under
81 sections 86.1310 to 86.1640 by reason of surviving a member, shall include only:

82 (a) The person who was married to the member at the time of the member's death in
83 service prior to August 28, 2001, and who had not remarried prior to August 28, 2001;

84 (b) The person who was married to the member at the time of the member's death in
85 service on or after August 28, 2001;

86 (c) In the case of any member who both retired and died prior to August 28, 2001, the
87 person who was married to the member at the time of the member's death and who had not
88 remarried prior to August 28, 2001;

89 (d) In the case of any member who retired prior to August 28, 2001, and died on or after
90 that date, the person who was married to the member at the time of the member's death; or

91 (e) In the case of any member who retired on or after August 28, 2001, the person who
92 was married to the member at both the time of the member's retirement and the time of the
93 member's death.

86.1380. The retirement board shall before [January tenth] **October fifteenth** of each
2 year certify to the chief financial officer of such city the amount to be paid by the city to the
3 retirement pension system for the succeeding fiscal year, as otherwise provided by sections
4 86.1310 to 86.1640.

86.1420. 1. All benefits and all necessary administrative expenses of the retirement
2 system shall be paid from the funds of the retirement system.

3 2. The base pension of a member who, after August 28, 2011, retires from or otherwise
4 terminates active service with entitlement to a base pension under sections 86.1310 to 86.1640
5 shall commence as of the first day of the month next following such retirement or termination
6 with no proration of such pension for the month in which such retirement or termination occurs.
7 The supplemental retirement benefit of a member who, after August 28, 2011, retires from or
8 otherwise terminates active service with entitlement to a supplemental retirement benefit

9 provided in subsection 1 of section 86.1600 shall commence as of the first day of the month next
10 following such retirement or termination with no proration of such supplemental retirement
11 benefit for the month in which such retirement or termination occurs.

12 3. Upon the death of a member in service who leaves a surviving spouse, as defined in
13 section 86.1310, entitled to benefits, any base pension which such surviving spouse shall elect
14 under subdivision (2) of subsection 1 of section 86.1610 or under paragraph (b) of subdivision
15 (3) of subsection 1 of section 86.1610 shall commence the later of the first day of the month next
16 following such death or the first day of the month following the date which would have been the
17 member's earliest possible retirement date permitted under [subsection] **subsections 2 or 3** of
18 section 86.1540 with no proration of such pension for the month prior to such commencement
19 date. Any base pension which such surviving spouse shall elect under paragraph (c) of
20 subdivision (3) of subsection 1 of section 86.1610 shall commence the first day of the month
21 next following such death with no proration of such pension for the month prior to such
22 commencement date.

23 4. Upon the death of a member who is receiving a base pension under sections 86.1310
24 to 86.1640 leaving a surviving spouse, as defined in section 86.1310, entitled to benefits, the
25 pension of such surviving spouse shall commence on the first day of the month next following
26 such death with no proration for the month in which such death occurs.

27 5. All payments of any benefit shall be paid on the first business day of each month for
28 that month. For any benefit under sections 86.1310 to 86.1640, the retirement system shall
29 withhold payment of such benefit until all requisite documentation has been filed with the
30 retirement system evidencing the entitlement of the payee to such payment. The final payment
31 due to a retired member shall be the payment due on the first day of the month in which such
32 member's death occurs. The final payment due to any surviving spouse shall be the payment due
33 on the first day of the month in which such surviving spouse dies or otherwise ceases to be
34 entitled to benefits under sections 86.1310 to 86.1640.

35 6. If no benefits are otherwise payable to a surviving spouse of a deceased member or
36 otherwise as provided in this section, the member's accumulated contributions, to any extent not
37 fully paid to such member prior to the member's death or to the surviving spouse of such member
38 or otherwise as provided in this section, shall be paid in one lump sum to the member's
39 beneficiary named by such member in a writing filed with the retirement system prior to the
40 member's death for the purpose of receiving such benefit, and if no beneficiary is named, then
41 to such member's estate. Such payment shall constitute full and final payment of any and all
42 claims for benefits under the retirement system, except as provided in section 86.1620.

86.1500. 1. Whenever a member is given a leave of absence for military service and returns to employment after discharge from the service, such member shall be entitled to creditable service for the years of employment prior to the leave of absence.

2. Except as provided in subsection 3 of this section, a member who served on active duty in the Armed Forces of the United States and who became a member, or returned to membership, after discharge under honorable conditions, may elect prior to retirement to purchase creditable service equivalent to such service in the Armed Forces, not to exceed two years, provided the member is not receiving and is not eligible to receive retirement credits or benefits from any other public or private retirement plan for the service to be purchased, other than a United States military service retirement system or United States Social Security benefits attributable to such military service, and an affidavit so stating is filed by the member with the retirement system. A member electing to make such purchase shall pay to the retirement system an amount equal to the actuarial cost of the additional benefits attributable to the additional service credit to be purchased, as of the date the member elects to make such purchase. Payment in full of the amount due from a member electing to purchase creditable service under this subsection shall be made over a period not to exceed five years, measured from the date of election, or prior to the commencement date for payment of benefits to the member from the retirement system, whichever is earlier, including interest on unpaid balances compounded annually at the interest rate assumed from time to time for actuarial valuations of the retirement system. If payment in full including interest is not made within the prescribed period, any partial payments made by the member shall be refunded, and no creditable service attributable to such election, or as a result of any such partial payments, shall be allowed; provided that if a benefit commencement date occurs because of the death or disability of a member who has made an election under this subsection and if the member is current in payments under an approved installment plan at the time of the death or disability, such election shall be valid if the member, the surviving spouse or other person entitled to benefit payments pays the entire balance of the remaining amount due, including interest to the date of such payment, within sixty days after the member's death or disability. The time of a disability shall be deemed to be the time when such member is determined by the retirement board to be totally and permanently disabled as provided in section 86.1560.

3. Notwithstanding any other provision of sections 86.1310 to 86.1640, a member who is on leave of absence for military service during any portion of which leave the United States is in a state of declared war, or a compulsory draft is in effect for any of the military branches of the United States, or any units of the military reserves of the United States, including the National Guard, are mobilized for combat military operations, and who becomes entitled to reemployment rights and other employment benefits under Title 38, Chapter 43 of the U.S. Code,

37 relating to employment and reemployment rights of members of the uniformed services by
38 meeting the requirements for such rights and benefits under Section 4312 of said chapter, or the
39 corresponding provisions of any subsequent applicable federal statute, shall be entitled to service
40 credit for the time spent in such military service for all purposes of sections 86.1310 to 86.1640
41 and such member shall not be required to pay any member contributions for such time. If it
42 becomes necessary for the years of such service to be included in the calculation of such
43 member's compensation for any purpose, such member shall be deemed to have received the
44 same compensation throughout such period of service as the member's base annual salary
45 immediately prior to the commencement of such leave of absence; **provided, however, that the**
46 **foregoing provisions of this subsection shall apply only to such portion of such leave with**
47 **respect to which the cumulative length of the absence and of all previous absences from a**
48 **position of employment with the employer by reason of service in the uniformed services**
49 **does not exceed five years except for such period of any such excess as meets the**
50 **requirements for exceptions to such five-year limitation set forth in the aforesaid Section**
51 **4312.**

86.1530. The normal retirement date of a member shall be the later of:

2 **(1) Tier I member** - the date such member attains the age of sixty-five years, or the tenth
3 anniversary of such member's employment; **or**

4 **(2) Tier II member** - **the date such member attains the age of sixty-seven years, or**
5 **the twentieth anniversary of such member's employment.**

86.1540. 1. (1) Upon retirement on or after a member's normal retirement date, such
2 member shall receive a base pension in the amount of two percent of such member's final
3 compensation times the number of years, including fractions thereof, of such member's creditable
4 service.

5 (2) Such member may elect to receive a different base pension under an election
6 permitted under this section or section 86.1580.

7 2. **Tier I** members may elect early retirement as follows:

8 (1) Beginning at age fifty-five, if the member has completed at least ten years of
9 creditable service or at any later age after the member has completed at least ten years of
10 creditable service. Unless subdivision (3) of this subsection shall be applicable, the benefit as
11 computed under subsection 1 of this section shall be reduced by one-half of one percent for each
12 full month the initial payment is prior to the first day of the month following that in which such
13 member will attain age sixty;

14 (2) Beginning at age sixty, if the member has completed at least five but not more than
15 ten years of creditable service or at any later age after the member has completed at least five
16 years of creditable service. Unless subdivision (3) of this subsection shall be applicable, the

17 benefit as computed under subsection 1 of this section shall be reduced by one-half of one
18 percent for each full month the initial payment is prior to the first day of the month following that
19 in which such member will attain age sixty-five; or

20 (3) At any time after the member's total of age and years of creditable service equals or
21 exceeds eighty, in which event the benefit shall be as computed under subsection 1 of this section
22 without any reduction. If an election for early retirement results in a reduced benefit under
23 subdivision (1) or (2) of this subsection, such reduced benefit shall become the member's base
24 pension, subject to all other adjustments described in this section.

25 3. **Tier II members may elect early retirement as follows:**

26 (1) **Beginning at age sixty-two, if the member has completed at least five years of**
27 **creditable service, the benefit as computed under subsection 1 of this section shall be**
28 **reduced by one-half of one percent for each full month the initial payment is prior to the**
29 **first day of the month following that in which such member will attain age sixty-seven; or**

30 (2) **At any time after the member has completed at least twenty years of creditable**
31 **service and is at least sixty-two years of age, in which event the benefit shall be as**
32 **computed under subsection 1 of this section without any reduction; or**

33 (3) **At any time after the member's total of age and years of creditable service**
34 **equals or exceeds eighty-five, in which event the benefit shall be as computed under**
35 **subsection 1 of this section without any reduction. If an election for early retirement**
36 **results in a reduced benefit under subdivision (1) of this subsection, such reduced benefit**
37 **shall become the member's base pension, subject to all other adjustments described in this**
38 **section.**

39 4. (1) A member who is married at the time of retirement may by a written election, with
40 the written consent of such member's spouse, elect an optional benefit calculated as follows:
41 such optional benefit shall be a monthly pension in the initial amount which shall be actuarially
42 equivalent to the actuarial value of the pension described in subdivision (1) of subsection 1 of
43 this section for such member at the date of retirement (including the value of survivorship rights
44 of a surviving spouse, where applicable, under section 86.1610), upon the basis that the initial
45 annuity for the member's spouse, if such spouse survives the member, shall be the same as the
46 amount being paid the member on such annuity at the member's death, and, subject to
47 cost-of-living adjustments thereafter declared on the spouse's base pension under section
48 86.1590, shall be paid to such surviving spouse for the lifetime of such spouse without regard
49 to remarriage. If a member who makes an election of an optional benefit under this subsection
50 has also elected an early retirement under either subdivision (1) or (2) of subsection 2 of this
51 section **or subdivision (1) of subsection 3 of this section**, any reduction in benefit required for

52 such early retirement election shall be calculated before calculating the initial amount of the
53 optional benefit under this subsection.

54 (2) If a member who makes the election permitted by this subsection also makes an
55 election permitted under section 86.1580, such optional benefit shall be reduced as provided in
56 subdivision (3) of subsection 2 of section 86.1580.

57 (3) If a member makes the election permitted by this subsection, the amount calculated
58 for such optional benefit under either subdivision (1) or (2) of this subsection shall be the base
59 pension for such member and for such member's spouse for all purposes of sections 86.1310 to
60 86.1640.

61 (4) An election for an optional benefit under this subsection shall be void if the member
62 dies within thirty days after filing such election with the retirement system or if the member dies
63 before the due date of the first payment of such member's pension.

64 [4.] **5.** Subject to the provisions of subsection [6] **7** of this section, whenever the service
65 of a member is terminated after August 28, 1999, for any reason prior to death or retirement and
66 the member has five or more years of creditable service, the member may elect not to withdraw
67 such member's accumulated contributions and shall become entitled to receive a pension upon
68 such member's normal retirement date under subdivision (1) of subsection 1 of this section or
69 may elect to receive a pension commencing upon or after any date, prior to his or her normal
70 retirement date, upon which early retirement would have been permitted under subsection 2 of
71 this section **for Tier I members or subsection 3 of this section for Tier II members** if such
72 member had remained a civilian employee of such police department, except that in calculating
73 any qualification under [subsection] **subsections 2 or 3** of this section, such member shall not
74 be entitled to count any year of creditable service in excess of such member's total years of
75 creditable service at the time of such member's termination of employment. The amount of any
76 pension commenced upon the basis of a date permitted under [subsection] **subsections 2 or 3**
77 of this section shall be computed on the basis of the member's final compensation and number
78 of years of creditable service, subject to such adjustments as may be applicable under the
79 subdivision of [subsection] **subsections 2 or 3** of this section upon which such member relies
80 in electing such member's pension and subject to any other adjustments that such member may
81 elect under this section. The amount of the initial pension calculated after all applicable
82 adjustments shall be the base pension for such member, and for such member's spouse if such
83 member shall elect the optional benefit permitted under subsection [3] **4** of this section, for all
84 purposes of sections 86.1310 to 86.1640. Payment of any benefits elected under this subsection
85 shall commence as of the first day of the month next following the applicable date with no
86 proration of such benefit for any initial partial month.

87 [5.] 6. A member whose service was terminated on or before August 28, 1999, after five
88 or more years of creditable service, and who permitted such member's accumulated contributions
89 to remain in the pension fund, shall upon application to the retirement board be appointed as a
90 consultant. For services as such consultant, such member shall, beginning the later of August
91 28, 1999, or the time of such appointment under this subsection, be entitled to elect to receive
92 compensation in such amount and at such time as such member would have been entitled to elect
93 under any of the provisions of subsection [4] 5 of this section if such member had terminated
94 service after August 28, 1999. Such member shall be entitled to the same cost-of-living
95 adjustments following the commencement of such compensation as if such member's
96 compensation had been a base pension.

97 [6.] 7. Notwithstanding any other provisions of sections 86.1310 to 86.1640, any member
98 who is convicted of a felony prior to separation from active service shall not be entitled to any
99 benefit from this retirement system except the return of such member's accumulated
100 contributions.

86.1580. 1. Any member in active service entitled to commence a pension under section
2 86.1540 may elect an optional distribution under the partial lump sum option plan provided in
3 this section if the member:

4 (1) Notifies the retirement system in writing of the member's retirement date at least
5 ninety days in advance thereof and requests an explanation of the member's rights under this
6 section; and

7 (2) Notifies the retirement system of the member's election hereunder at least thirty days
8 in advance of the retirement date.

9
10 Following receipt of an initial notice of a member's retirement date and request for an
11 explanation, the retirement system shall, at least sixty days in advance of such retirement date,
12 provide the member a written explanation of such member's rights under this section and an
13 estimate of the amount by which the member's regular monthly base pension would be reduced
14 in the event of the member's election of any of the options available to the member under this
15 section.

16 2. (1) A member entitled to make an election under this section may elect to receive a
17 lump sum distribution with the member's initial monthly pension payment under section 86.1540,
18 subject to all the terms of this section. The member may elect the amount of the member's lump
19 sum distribution from one, but not more than one, of the following options for which the member
20 qualifies:

21 (a) A member having one or more years of creditable service after the member's eligible
22 retirement date may elect a lump sum amount equal to twelve times the initial monthly base
23 pension the member would receive if no election were made under this section;

24 (b) A member having two or more years of creditable service after the member's eligible
25 retirement date may elect a lump sum amount equal to twenty-four times the initial monthly base
26 pension the member would receive if no election were made under this section; or

27 (c) A member having three or more years of creditable service after the member's eligible
28 retirement date may elect a lump sum amount equal to thirty-six times the initial monthly base
29 pension the member would receive if no election were made under this section.

30

31 For purposes of this section, "eligible retirement date" for a member shall mean the earliest date
32 on which the member could elect to retire and be entitled to receive a pension under section
33 86.1540.

34 (2) When a member makes an election to receive a lump sum distribution under this
35 section, the base pension that the member would have received in the absence of an election shall
36 be reduced on an actuarially equivalent basis to reflect the payment of the lump sum distribution,
37 and the reduced base pension shall be the member's base pension thereafter for all purposes
38 relating to base pension amounts under sections 86.1310 to 86.1640, unless the member has also
39 elected an optional benefit permitted under subsection [3] 4 of section 86.1540.

40 (3) If a member electing a lump sum distribution under this section has elected the
41 optional benefit permitted under subsection [3] 4 of section 86.1540, the calculation of the
42 member's pension shall be made in the following order:

43 (a) The amount of the member's normal pension under subdivision (1) of subsection 1
44 of section 86.1540 shall be reduced if applicable by any reductions required under [subsection]
45 **subsections 2 or 3** of section 86.1540;

46 (b) The amount of the pension as determined under paragraph (a) of this subdivision
47 shall be reduced to the actuarially equivalent amount to produce the optional form of benefit
48 described in subdivision (1) of subsection [3] 4 of section 86.1540;

49 (c) The amount of reduced pension as determined under paragraph (b) of this subdivision
50 shall be further reduced as required to produce an actuarially equivalent benefit in the form of
51 the lump sum distribution option elected under this section and a remaining monthly annuity
52 which shall be paid on the basis that the initial annuity for the member's spouse, if such spouse
53 survives the member, shall be the same as the amount being paid the member on this annuity at
54 the member's death, and, subject to cost-of-living adjustments thereafter declared on the spouse's
55 base pension under section 86.1590, shall be paid to such surviving spouse for the lifetime of
56 such spouse without regard to remarriage.

57 3. An election under this section to receive a lump sum distribution and reduced monthly
58 base pension shall be void if the member dies before retirement, in which case amounts due a
59 surviving spouse or other beneficiary of the member shall be determined without regard to such
60 election.

 86.1590. 1. Provided that the retirement system shall remain actuarially sound, each of
2 the following persons may receive each year, in addition to such person's base pension, a
3 cost-of-living adjustment in an amount not to exceed three percent of such person's base pension
4 during any one year:

5 (1) Every member who is retired and receiving a base pension from this retirement
6 system; and

7 (2) Every surviving spouse who is receiving a base pension from this retirement system.

8 2. Upon the death of a member who has been retired and receiving a pension, and who
9 dies after August 28, 2001, the surviving spouse of such member entitled to receive a base
10 pension under section 86.1610 shall receive an immediate percentage cost-of-living adjustment
11 to his or her base pension equal to the total percentage cost-of-living adjustments received during
12 such member's lifetime under this section, but such adjustment shall not be deemed to change
13 the base pension amount to which subsequent cost-of-living adjustments may be made.

14 3. For purposes of this section, the term "base pension" shall mean:

15 (1) For a member, the pension computed under the provisions of the law as of the date
16 of retirement without regard to cost-of-living adjustments, as adjusted if applicable, for any
17 optional elections made under sections 86.1540 and 86.1580, but in all events not including any
18 supplemental benefit under section 86.1600;

19 (2) For a surviving spouse whose pension is prescribed by section 86.1610, the base
20 pension calculated for such spouse in accordance with the provisions of section 86.1610,
21 including any compensation as a consultant to which such surviving spouse is entitled under said
22 section in lieu of a pension, but not including any supplemental benefit under section 86.1600;

23 (3) For a surviving spouse entitled to the continuation of an optional benefit elected
24 under subsection [3] 4 of section 86.1540, the base pension determined in accordance with
25 subdivision (3) of subsection [3] 4 of section 86.1540.

26 4. The cost-of-living adjustment shall be an increase or decrease computed on the base
27 pension amount by the retirement board in an amount that the board, in its discretion, determines
28 to be satisfactory, but in no event shall the adjustment be more than three percent or reduce the
29 pension to an amount less than the base pension. In determining and granting the cost-of-living
30 adjustments, the retirement board shall adopt such rules and regulations as may be necessary to
31 effectuate the purposes of this section, including provisions for the manner of computation of
32 such adjustments and the effective dates thereof. The retirement board shall provide for such

33 adjustments to be determined once each year and granted on a date or dates to be chosen by the
34 board, and may apply such adjustments in full to members who have retired during the year prior
35 to such adjustments but who have not been retired for one full year and to the surviving spouse
36 of a member who has died during the year prior to such adjustments.

37 5. The determination of whether the retirement system will remain actuarially sound
38 shall be made at the time any cost-of-living adjustment is granted. If at any time the retirement
39 system ceases to be actuarially sound, pension payments shall continue as adjusted by increases
40 theretofore granted. A member of the retirement board shall have no personal liability for
41 granting increases under this section if that retirement board member in good faith relied and
42 acted upon advice of a qualified actuary that the retirement system would remain actuarially
43 sound.

86.1610. 1. Upon receipt of the proper proofs of death of a member in service for any
2 reason whatsoever, the following amounts shall be payable subject to subsection 4 of this
3 section, and if a pension shall be elected, the initial amount thereof shall be the base pension for
4 such surviving spouse:

5 (1) If the member has less than five years of creditable service, the member's surviving
6 spouse shall be paid, in one lump sum, the amount of the member's accumulated contributions.
7 If there is no surviving spouse, the member's accumulated contributions shall be paid as provided
8 in subsection 6 of section 86.1420;

9 (2) If the member has at least five but fewer than twenty years of creditable service, the
10 member's surviving spouse may elect the lump sum settlement in subdivision (1) of this
11 subsection or a pension. Such pension shall be fifty percent of the member's accrued pension at
12 date of death as computed in subdivision (1) of subsection 1 of section 86.1540, commencing
13 as provided in subsection 3 of section 86.1420;

14 (3) If the member has at least twenty years of creditable service, the member's surviving
15 spouse may elect any one of:

16 (a) The lump sum settlement in subdivision (1) of this subsection;

17 (b) The pension as computed in subdivision (2) of this subsection; or

18 (c) A pension in the monthly amount determined on a joint and survivor's basis from the
19 actuarial value of the member's accrued annuity at date of death;

20 (4) Any death of a retired member occurring before the first payment of the retirement
21 pension shall be deemed to be a death prior to retirement;

22 (5) For the surviving spouse of a member who died in service after August 28, 2001,
23 benefits payable under subsection 1 of this section shall continue for the lifetime of such
24 surviving spouse without regard to remarriage.

25 2. Upon death of a member after retirement who has not elected the optional annuity
26 permitted under subsection [3] 4 of section 86.1540, the surviving spouse shall receive a base
27 pension payable for life, equaling fifty percent of the member's base pension, as of the member's
28 retirement date, subject to the following:

29 (1) No surviving spouse of a member who retires after August 28, 2001, shall be entitled
30 to receive any benefits under sections 86.1310 to 86.1640 unless such spouse was married to the
31 member at the time of the member's retirement; and

32 (2) Any surviving spouse who was married to such a member at the time of the member's
33 retirement shall be entitled to all benefits for surviving spouses under sections 86.1310 to
34 86.1640 for the life of such surviving spouse without regard to remarriage.

35 3. In the case of any member who, prior to August 28, 2001, died in service or retired,
36 the surviving spouse who would qualify for benefits under subsection 1 or 2 of this section but
37 for remarriage, and has not remarried prior to August 28, 2001, but remarries thereafter, shall
38 upon application be appointed by the retirement board as a consultant. For services as such
39 consultant, such surviving spouse shall be compensated in an amount equal to the benefits such
40 spouse would have received under sections 86.1310 to 86.1640 in the absence of such
41 remarriage.

42 4. Any beneficiary of benefits under sections 86.1310 to 86.1640 who becomes the
43 surviving spouse of more than one member shall be paid all benefits due a surviving spouse of
44 that member whose entitlements produce the largest surviving spouse benefits for such
45 beneficiary but shall not be paid surviving spouse benefits as the surviving spouse of more than
46 one member, except that any surviving spouse for whom an election has been made for an
47 optional benefit under subsection [3] 4 of section 86.1540 shall be entitled to every optional
48 benefit for which such surviving spouse has so contracted.

86.1630. 1. A retirement plan under sections 86.1310 to 86.1640 is a qualified plan
2 under the provisions of applicable federal law. The benefits and conditions of a retirement plan
3 under sections 86.1310 to 86.1640 shall always be adjusted to ensure that the tax-exempt status
4 is maintained.

5 2. The retirement board shall administer this retirement system in such manner as to
6 retain at all times qualified status under Section 401(a) of the Internal Revenue Code.

7 3. The retirement board shall hold in trust the assets of the retirement system for the
8 exclusive benefit of the members and their beneficiaries and for defraying reasonable
9 administrative expenses of the system. No part of such assets shall, at any time prior to the
10 satisfaction of all liabilities with respect to members and their beneficiaries, be used for or
11 diverted to any purpose other than such exclusive benefit or to any purpose inconsistent with
12 sections 86.1310 to 86.1640.

13 4. A member's benefit shall be one hundred percent vested and nonforfeitable upon the
14 member's attainment of normal retirement age, which shall be the earlier of:

15 (1) The attaining of the age of sixty-five or the member's tenth anniversary of
16 employment, whichever is later **for any Tier I member, or the attaining of the age of sixty-**
17 **seven or the member's twentieth anniversary of employment, whichever is later for any**
18 **Tier II member;**

19 (2) **For any Tier I member** when the total sum of age and years of **creditable** service
20 equals or exceeds eighty, **or for any Tier II member when the total sum of age and years of**
21 **creditable service equals or exceeds eighty-five;** or

22 (3) To the extent funded, upon the termination of the system established under sections
23 86.1310 to 86.1640 or any partial termination which affects the member or any complete
24 discontinuance of contributions by the city to the system.

25

26 Amounts representing forfeited nonvested benefits of terminated members shall not be used to
27 increase benefits payable from the system but may be used to reduce contributions for future plan
28 years.

29 5. Distribution of benefits shall begin not later than April first of the year following the
30 later of the calendar year during which the member becomes seventy and one-half years of age
31 or the calendar year in which the member retires, and shall otherwise conform to Section
32 401(a)(9) of the Internal Revenue Code.

33 6. A member or beneficiary of a member shall not accrue a service retirement annuity,
34 disability retirement annuity, death benefit, whether death occurs in the line of duty or otherwise,
35 or any other benefit under sections 86.1310 to 86.1640 in excess of the benefit limits applicable
36 to the fund under Section 415 of the Internal Revenue Code. The retirement board shall reduce
37 the amount of any benefit that exceeds the limits of this section by the amount of the excess. If
38 the total benefits under the retirement system and the benefits and contributions to which any
39 member is entitled under any other qualified plan or plans maintained by the board of police
40 commissioners that employs the member would otherwise exceed the applicable limits under
41 Section 415 of the Internal Revenue Code, the benefits the member would otherwise receive
42 from the retirement system are reduced to the extent necessary to enable the benefits to comply
43 with Section 415 of the Internal Revenue Code.

44 7. The total salary taken into account for any purpose for any member of the retirement
45 system shall not exceed two hundred thousand dollars per year, subject to periodic adjustments
46 in accordance with guidelines provided by the United States Secretary of the Treasury and may
47 not exceed such other limits as may be applicable at any given time under Section 401(a)(17) of
48 the Internal Revenue Code.

49 8. If the amount of any benefit is determined on the basis of actuarial assumptions that
50 are not specifically set forth for that purpose in sections 86.1310 to 86.1640, the actuarial
51 assumptions to be used are those earnings and mortality assumptions used on the date of the
52 determination by the retirement system's actuary and approved by the retirement board. The
53 actuarial assumptions used at any particular time shall be attached as an addendum to a copy of
54 the retirement system's statute maintained by the retirement board and shall be treated for all
55 purposes as part of sections 86.1310 to 86.1640. The actuarial assumptions may be changed by
56 the retirement system's actuary annually if approved by the retirement board, but a change in
57 actuarial assumptions shall not result in any decrease in benefits accrued as of the effective date
58 of the change.

59 9. Any member or beneficiary who is entitled to receive any distribution that is an
60 eligible rollover distribution, as defined by Section 402(c)(4) of the Internal Revenue Code, is
61 entitled to have that distribution transferred directly to another eligible retirement plan of the
62 member's or beneficiary's choice upon providing direction to the secretary of the retirement
63 system regarding the transfer in accordance with procedures established by the retirement board.

64 10. For all distributions made after December 31, 2001:

65 (1) For the purposes of subsection 9 of this section, an eligible retirement plan shall also
66 mean an annuity described in Section 403(b) of the Internal Revenue Code and an eligible plan
67 under Section 457(b) of the Internal Revenue Code that is maintained by a state, political
68 subdivision of a state, or any agency or instrumentality of a state or political subdivision of a
69 state and which agrees to separately account for amounts transferred into such plan from the
70 retirement system. The definition for eligible retirement plan shall also apply in the case of a
71 distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee
72 under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue
73 Code; and

74 (2) For the purposes of subsection 9 of this section, a portion of a distribution shall not
75 fail to be an eligible rollover distribution merely because the portion consists of after-tax
76 employee contributions which are not includable in gross income. However, such portion may
77 be paid only to an individual retirement account or annuity described in Section 408(a) or 408(b)
78 of the Internal Revenue Code, or to a qualified defined contribution plan described in Section
79 401(a) or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so
80 transferred, including separately accounting for the portion of such distribution that is includable
81 in gross income and the portion of such distribution that is not so includable.

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