

SECOND REGULAR SESSION

# SENATE BILL NO. 861

93RD GENERAL ASSEMBLY

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INTRODUCED BY SENATORS RIDGEWAY AND SHIELDS.

Read 1st time January 12, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

4205S.011

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## AN ACT

To repeal sections 86.1230 and 86.1600, RSMo, and to enact in lieu thereof two new sections relating to the police retirement system and the civilian employees' retirement system of the police department of Kansas City.

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

Section A. Sections 86.1230 and 86.1600, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 86.1230 and 86.1600, to  
3 read as follows:

86.1230. 1. Any member who retires subsequent to August 28, 1991, **and**  
2 **on or before August 28, 2006**, with entitlement to a pension under sections  
3 86.900 to 86.1280, **and any member who retires on or after August 28,**  
4 **2006, with entitlement to a pension under sections 86.900 to 86.1280,**  
5 **and who has at least twenty-five years of creditable service or is retired**  
6 **as the result of an injury or illness occurring in the line of duty or**  
7 **course of employment, under section 86.1180**, shall receive each month, in  
8 addition to such member's base pension and cost-of-living adjustments thereto  
9 under section 86.1220, and in addition to any other compensation or benefit to  
10 which such member may be entitled under sections 86.900 to 86.1280, a  
11 supplemental retirement benefit of fifty dollars per month. The amount of such  
12 supplemental retirement benefit may be adjusted by cost-of-living adjustments  
13 determined by the retirement board not more frequently than annually. [Such  
14 determination shall be based on advice of the plan's actuary that the increase in  
15 the benefit will not cause the present value of anticipated future plan benefits,  
16 calculated on the actuarial assumptions used for the most recent annual  
17 valuation, to exceed the sum of the trust fund assets plus the present value of

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18 anticipated contributions to the trust fund.]

19           2. Any member who was retired on or before August 28, 1991, and is  
20 receiving retirement benefits from the retirement system shall, upon application  
21 to the retirement board, be retained as a consultant, and for such services such  
22 member shall receive each month, in addition to such member's base pension and  
23 cost-of-living adjustments thereto under section 86.1220, and in addition to any  
24 other compensation or benefit to which such member may be entitled under  
25 sections 86.900 to 86.1280, a supplemental compensation in the amount of fifty  
26 dollars per month. This appointment as a consultant shall in no way affect any  
27 member's eligibility for retirement benefits under the provisions of sections  
28 86.900 to 86.1280, or in any way have the effect of reducing retirement benefits  
29 otherwise payable to such member. The amount of such supplemental  
30 compensation under this subsection may be adjusted by cost-of-living adjustments  
31 determined by the retirement board not more frequently than annually. [Such  
32 determination shall be based on advice of the plan's actuary that the increase in  
33 the benefit will not cause the present value of anticipated future plan benefits,  
34 calculated on the actuarial assumptions used for the most recent annual  
35 valuation, to exceed the sum of the trust fund assets plus the present value of  
36 anticipated contributions to the trust fund.]

37           3. In determining and granting the cost-of-living adjustments under this  
38 section, the retirement board shall adopt such rules and regulations as may be  
39 necessary to effectuate the purposes of this section, including provisions for the  
40 manner of computation of such adjustments and the effective dates thereof. The  
41 retirement board shall provide for such adjustments to be determined once each  
42 year and granted on a date or dates to be chosen by the board. The retirement  
43 board shall not be required to prorate the initial adjustment to any supplemental  
44 retirement benefit or any supplemental compensation under this section for any  
45 member.

46           4. For purposes of subsections 1 and 2 of this section, the term "member"  
47 shall include a surviving spouse entitled to a benefit under sections 86.900 to  
48 86.1280 who shall be deemed to have retired for purposes of this section on the  
49 date of retirement of the member of whom such person is the surviving spouse or  
50 on the date of death of such member if such member died prior to retirement;  
51 provided, that if the surviving spouse of any member who retired prior to August  
52 28, 2000, shall not have remarried prior to August 28, 2000, but remarries  
53 thereafter, such surviving spouse shall thereafter receive benefits under

54 subsection 2 of this section, [and] provided further, that no benefits shall be  
55 payable under this section to the surviving spouse of any member who retired  
56 prior to August 28, 2000, if such surviving spouse was at any time remarried  
57 after the member's death and prior to August 28, 2000; **and provided further,**  
58 **that no benefits shall be payable under this section to the surviving**  
59 **spouse of any member who died while in active service after August 28,**  
60 **2006, unless such death occurred in the line of duty or course of**  
61 **employment, or as the result of an injury or illness occurred in the line**  
62 **of duty or course of employment, or unless such member had at least**  
63 **twenty-five years of creditable service, which shall entitle the surviving**  
64 **spouse to receive benefits described in subsection 1 of this section**  
65 **without regard to such member's years of creditable service.** All benefits  
66 payable to a surviving spouse under this section shall be in addition to all other  
67 benefits to which [such] **qualifying** surviving spouse may be entitled under other  
68 provisions of sections 86.900 to 86.1280. Any such surviving spouse of a member  
69 who dies while entitled to payments under this section shall succeed to the full  
70 amount of payment under this section to which such member was entitled at the  
71 time of such member's death, including any cost-of-living adjustments received  
72 by such member in the payment under this section prior to such member's death. In  
73 all events, the term "member" shall not include any children of the member who  
74 would be entitled to receive part or all of the pension which would be received by  
75 a surviving spouse if living.

76 5. The determination of whether the retirement system will remain  
77 actuarially sound shall be made at the time any cost-of-living adjustment under  
78 this section is granted. If at any time the retirement system ceases to be  
79 actuarially sound, supplemental retirement benefit payments under subsection  
80 1 of this section and supplemental compensation payments as a consultant under  
81 subsection 2 of this section shall continue as adjusted by increases or decreases  
82 theretofore granted. A member of the retirement board shall have no personal  
83 liability for granting increases under this section if that retirement board member  
84 in good faith relied and acted upon advice of a qualified actuary that the  
85 retirement system would remain actuarially sound.

86.1600. 1. Any member who retires subsequent to August 28, 1997, **and**  
2 **on or before August 28, 2006,** with entitlement to a pension under sections  
3 86.1310 to 86.1640, **and any member who retires subsequent to August 28,**  
4 **2006, with entitlement to a pension under sections 86.1310 to 86.1640**

5 **and who either has at least twenty-five years of creditable service or**  
6 **is retired as the result of an injury or illness occurring in the line of**  
7 **duty or course of employment under subdivision (1) of subsection 3 of**  
8 **section 86.1560**, shall receive each month, in addition to such member's base  
9 pension and cost-of-living adjustments thereto under section 86.1590, and in  
10 addition to any other compensation or benefit to which such member may be  
11 entitled under sections 86.1310 to 86.1640, a supplemental retirement benefit of  
12 fifty dollars per month. The amount of such supplemental retirement benefit may  
13 be adjusted by cost-of-living adjustments determined by the retirement board not  
14 more frequently than annually. [Such determination shall be based on advice of  
15 the plan's actuary that the increase in the benefit will not cause the present value  
16 of anticipated future plan benefits, calculated on the actuarial assumptions used  
17 for the most recent annual valuation, to exceed the sum of the trust fund assets  
18 plus the present value of anticipated contributions to the trust fund.]

19         2. Any member who was retired on or before August 28, 1997, and is  
20 receiving retirement benefits from the retirement system shall, upon application  
21 to the retirement board, be retained as a consultant, and for such services such  
22 member shall receive each month, in addition to such member's base pension and  
23 cost-of-living adjustments thereto under section 86.1590, and in addition to any  
24 other compensation or benefit to which such member may be entitled under  
25 sections 86.1310 to 86.1640, a supplemental compensation in the amount of fifty  
26 dollars per month. This appointment as a consultant shall in no way affect any  
27 member's eligibility for retirement benefits under the provisions of sections  
28 86.1310 to 86.1640, or in any way have the effect of reducing retirement benefits  
29 otherwise payable to such member. The amount of such supplemental  
30 compensation under this subsection may be adjusted by cost-of-living adjustments  
31 determined by the retirement board not more frequently than annually. [Such  
32 determination shall be based on advice of the plan's actuary that the increase in  
33 the benefit will not cause the present value of anticipated future plan benefits,  
34 calculated on the actuarial assumptions used for the most recent annual  
35 valuation, to exceed the sum of the trust fund assets plus the present value of  
36 anticipated contributions to the trust fund.]

37         3. In determining and granting the cost-of-living adjustments under this  
38 section, the retirement board shall adopt such rules and regulations as may be  
39 necessary to effectuate the purposes of this section, including provisions for the  
40 manner of computation of such adjustments and the effective dates thereof. The

41 retirement board shall provide for such adjustments to be determined once each  
42 year and granted on a date or dates to be chosen by the board. The retirement  
43 board shall not be required to prorate the initial adjustment to any supplemental  
44 retirement benefit or any supplemental compensation under this section for any  
45 member.

46 4. For purposes of subsections 1 and 2 of this section, the term "member"  
47 shall include a surviving spouse who is entitled to a benefit under sections  
48 86.1310 to 86.1640, who shall be deemed to have retired for purposes of this  
49 section on the date of retirement of the member of whom such person is the  
50 surviving spouse or on the date of death of such member if such member died  
51 prior to retirement; **provided, that no benefits shall be payable under this**  
52 **section to the surviving spouse of any member who died while in active**  
53 **service after August 28, 2006, unless such death occurred in the line of**  
54 **duty or course of employment or as the result of an injury or illness**  
55 **incurred in the line of duty or course of employment or unless such**  
56 **member had at least twenty-five years of creditable service. The**  
57 **surviving spouse of a member who died in service after August 28, 2006,**  
58 **whose death occurred in the line of duty or course of employment or as**  
59 **the result of an injury or illness incurred in the line of duty or course**  
60 **of employment shall be entitled to benefits under subsection 1 of this**  
61 **section without regard to such member's years of creditable service. All**  
62 benefits payable to a surviving spouse under this section shall be in addition to  
63 all other benefits to which such surviving spouse may be entitled under other  
64 provisions of sections 86.1310 to 86.1640. Any such [surviving] **qualifying**  
65 spouse of a member who dies while entitled to payments under this section shall  
66 succeed to the full amount of payment under this section to which such member  
67 was entitled at the time of such member's death, including any cost-of-living  
68 adjustments received by such member in the payment under this section prior to  
69 such member's death.

70 5. The determination of whether the retirement system will remain  
71 actuarially sound shall be made at the time any cost-of-living adjustment under  
72 this section is granted. If at any time the retirement system ceases to be  
73 actuarially sound, supplemental retirement benefit payments under subsection  
74 1 of this section and supplemental compensation payments as a consultant under  
75 subsection 2 of this section shall continue as adjusted by increases or decreases  
76 theretofore granted. A member of the retirement board shall have no personal

77 liability for granting increases under this section if that retirement board member  
78 in good faith relied and acted upon advice of a qualified actuary that the  
79 retirement system would remain actuarially sound.

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