

FIRST REGULAR SESSION

[P E R F E C T E D]

# SENATE BILL NO. 172

94TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR RIDGEWAY.

Pre-filed December 18, 2006, and ordered printed.

Read 2nd time January 17, 2007, and referred to the Committee on Pensions, Veterans' Affairs and General Laws.

Reported from the Committee February 22, 2007, with recommendation that the bill do pass and be placed on the Consent Calendar.

Taken up March 7, 2007. Read 3rd time and placed upon its final passage; bill passed.

TERRY L. SPIELER, Secretary.

0544S.01P

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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Section A. Sections 86.1230 and 86.1600, RSMo, are repealed and two new  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, with  
2 entitlement to a pension under sections 86.900 to 86.1280, shall receive each  
3 month, in addition to such member's base pension and cost-of-living adjustments  
4 thereto under section 86.1220, and in addition to any other compensation or  
5 benefit to which such member may be entitled under sections 86.900 to 86.1280,  
6 a supplemental retirement benefit of fifty dollars per month. The amount of such  
7 supplemental retirement benefit may be adjusted by cost-of-living adjustments  
8 determined by the retirement board not more frequently than annually. [Such  
9 determination shall be based on advice of the plan's actuary that the increase in  
10 the benefit will not cause the present value of anticipated future plan benefits,  
11 calculated on the actuarial assumptions used for the most recent annual  
12 valuation, to exceed the sum of the trust fund assets plus the present value of  
13 anticipated contributions to the trust fund.]

14 2. Any member who was retired on or before August 28, 1991, and is

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

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

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

41 4.] For purposes of subsections 1 and 2 of this section, the term "member"  
42 shall include a surviving spouse entitled to a benefit under sections 86.900 to  
43 86.1280 who shall be deemed to have retired for purposes of this section on the  
44 date of retirement of the member of whom such person is the surviving spouse or  
45 on the date of death of such member if such member died prior to retirement;  
46 provided, that if the surviving spouse of any member who retired prior to August  
47 28, 2000, shall not have remarried prior to August 28, 2000, but remarries  
48 thereafter, such surviving spouse shall thereafter receive benefits under  
49 subsection 2 of this section, and provided further, that no benefits shall be  
50 payable under this section to the surviving spouse of any member who retired

51 prior to August 28, 2000, if such surviving spouse was at any time remarried  
52 after the member's death and prior to August 28, 2000. All benefits payable to  
53 a surviving spouse under this section shall be in addition to all other benefits to  
54 which such surviving spouse may be entitled under other provisions of sections  
55 86.900 to 86.1280. Any such surviving spouse of a member who dies while  
56 entitled to payments under this section shall succeed to the full amount of  
57 payment under this section to which such member was entitled at the time of  
58 such member's death, including any cost-of-living adjustments received by such  
59 member in the payment under this section prior to such member's death. In all  
60 events, the term "member" shall not include any children of the member who  
61 would be entitled to receive part or all of the pension which would be received by  
62 a surviving spouse if living.

63 **4. Any member who is receiving benefits from the retirement**  
64 **system and who either was retired under the provisions of subsection**  
65 **1 of section 86.1150, or who retired before August 28, 2001, under the**  
66 **provisions of section 86.1180 or section 86.1200, shall, upon application**  
67 **to the retirement board, be retained as a consultant. For such services**  
68 **such member shall receive each month in addition to such member's**  
69 **base pension and cost-of-living adjustments thereto under section**  
70 **86.1220, and in addition to any other compensation or benefit to which**  
71 **such member may be entitled under sections 86.900 to 86.1280, an**  
72 **equalizing supplemental compensation of ten dollars per month. This**  
73 **appointment as a consultant shall in no way affect any member's**  
74 **eligibility for retirement benefits under the provisions of sections**  
75 **86.900 to 86.1280, or in any way have the effect of reducing retirement**  
76 **benefits otherwise payable to such member. The amount of equalizing**  
77 **supplemental compensation under this subsection may be adjusted by**  
78 **cost-of-living adjustments, determined by the retirement board not**  
79 **more frequently than annually, but in no event shall the aggregate of**  
80 **such equalizing supplemental compensation together with all such cost-**  
81 **of-living adjustments thereto exceed twenty-five percent of the**  
82 **member's base pension. Each cost-of-living adjustment to compensation**  
83 **under this subsection shall be determined independently of any cost-of-**  
84 **living adjustment to any other benefit under sections 86.900 to**  
85 **86.1280. For the purposes of this subsection, the term "member" shall**  
86 **include a surviving spouse entitled to benefits under the provisions of**  
87 **section 86.900 to 86.1280, and who is the surviving spouse of a member**

88 who qualified, or would have qualified if living, for compensation under  
89 this subsection. Such surviving spouse shall, upon application to the  
90 retirement board, be retained as a consultant, and for such services  
91 shall be compensated in an amount equal to the compensation which  
92 would have been received by the member under this subsection, if  
93 living. Any such surviving spouse of a member who dies while entitled  
94 to payments under this subsection shall succeed to the full amount of  
95 payment under this subsection to which such member was entitled at  
96 the time of such member's death, including any cost-of-living  
97 adjustments received by such member in the payment under this  
98 subsection prior to such member's death. In all events, the term  
99 "member" shall not include any children of the member who would be  
100 entitled to receive part or all of the pension that would be received by  
101 a surviving spouse, if living.

102         5. A surviving spouse who is entitled to benefits under the  
103 provisions of subsection 1 of section 86.1240 as a result of the death  
104 prior to August 28, 2007, of a member in service, and who is receiving  
105 benefits from the retirement system, shall, upon application to the  
106 retirement board, be retained as a special consultant, and for such  
107 services such surviving spouse shall receive each month an equalizing  
108 supplemental compensation of ten dollars per month. A surviving  
109 spouse entitled to benefits under the provisions of subsection 1 of  
110 section 86.1240 as a result of the death of a member in service on or  
111 after August 28, 2008, shall receive each month an equalizing  
112 supplemental benefit of ten dollars per month. All benefits payable to  
113 a surviving spouse under this subsection shall be in addition to all  
114 other benefits to which such surviving spouse may be entitled under  
115 other provisions of sections 86.900 to 86.1280 and shall in no way have  
116 the effect of reducing benefits otherwise payable to such surviving  
117 spouse. The amount of equalizing supplemental benefit or equalizing  
118 supplemental compensation under this subsection may be adjusted by  
119 cost-of-living adjustments, determined by the retirement board not  
120 more frequently than annually, but in no event shall the aggregate of  
121 such equalizing supplemental benefit or compensation together with all  
122 such cost-of-living adjustments thereto exceed twenty-five percent of  
123 the base pension of the surviving spouse. Each cost-of-living  
124 adjustment to an equalizing supplemental benefit or compensation

125 under this subsection shall be determined independently of any cost-of-  
126 living adjustment to any other benefit under sections 86.900 to 86.1280.  
127 In all events the term "surviving spouse" as used in this subsection shall  
128 not include any children of the member who would be entitled to  
129 receive part or all of the pension that would be received by a surviving  
130 spouse, if living.

131 **6. In determining and granting the cost-of-living adjustments**  
132 **under this section, the retirement board shall adopt such rules and**  
133 **regulations as may be necessary to effectuate the purposes of this**  
134 **section, including provisions for the manner of computation of such**  
135 **adjustments and the effective dates thereof. The retirement board shall**  
136 **provide for such adjustments to be determined once each year and**  
137 **granted on a date or dates to be chosen by the board. The retirement**  
138 **board shall not be required to prorate the initial adjustment to any**  
139 **benefit or compensation under this section for any member.**

140 [5.] **7.** The determination of whether the retirement system will remain  
141 actuarially sound shall be made at the time any cost-of-living adjustment under  
142 this section is granted. If at any time the retirement system ceases to be  
143 actuarially sound, [supplemental retirement] **any benefit [payments under**  
144 **subsection 1 of this section and supplemental] compensation payments [as a**  
145 **consultant under subsection 2 of] provided under** this section shall continue as  
146 adjusted by increases or decreases theretofore granted. A member of the  
147 retirement board shall have no personal liability for granting increases under this  
148 section if that retirement board member in good faith relied and acted upon  
149 advice of a qualified actuary that the retirement system would remain actuarially  
150 sound.

86.1600. 1. Any member who retires subsequent to August 28, 1997, **and**  
2 **on or before August 28, 2007**, with entitlement to a pension under sections  
3 86.1310 to 86.1640, **and any member who retires subsequent to August 28,**  
4 **2007, with entitlement to a pension under sections 86.1310 to 86.1640**  
5 **and who either has at least fifteen years of creditable service or is**  
6 **retired under subsection 1 of section 86.1560**, shall receive each month, in  
7 addition to such member's base pension and cost-of-living adjustments thereto  
8 under section 86.1590, and in addition to any other compensation or benefit to  
9 which such member may be entitled under sections 86.1310 to 86.1640, a  
10 supplemental retirement benefit of fifty dollars per month. The amount of such

11 supplemental retirement benefit may be adjusted by cost-of-living adjustments  
12 determined by the retirement board not more frequently than annually. [Such  
13 determination shall be based on advice of the plan's actuary that the increase in  
14 the benefit will not cause the present value of anticipated future plan benefits,  
15 calculated on the actuarial assumptions used for the most recent annual  
16 valuation, to exceed the sum of the trust fund assets plus the present value of  
17 anticipated contributions to the trust fund.]

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

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

45         4. For purposes of subsections 1 and 2 of this section, the term "member"  
46 shall include a surviving spouse who is entitled to a benefit under sections

47 86.1310 to 86.1640, who shall be deemed to have retired for purposes of this  
48 section on the date of retirement of the member of whom such person is the  
49 surviving spouse or on the date of death of such member if such member died  
50 prior to retirement; **provided, that no benefits shall be payable under this**  
51 **section to the surviving spouse of any member who died while in active**  
52 **service after August 28, 2007, unless such death occurred in the line of**  
53 **duty or course of employment or as the result of an injury or illness**  
54 **incurred in the line of duty or course of employment or unless such**  
55 **member had at least fifteen years of creditable service. The surviving**  
56 **spouse of a member who died in service after August 28, 2007, whose**  
57 **death occurred in the line of duty or course of employment or as the**  
58 **result of an injury or illness incurred in the line of duty or course of**  
59 **employment shall be entitled to benefits under subsection 1 of this**  
60 **section without regard to such member's years of creditable service. All**  
61 benefits payable to a surviving spouse under this section shall be in addition to  
62 all other benefits to which such surviving spouse may be entitled under other  
63 provisions of sections 86.1310 to 86.1640. Any [such] **qualifying** surviving  
64 spouse of a member who dies while entitled to payments under this section shall  
65 succeed to the full amount of payment under this section to which such member  
66 was entitled at the time of such member's death, including any cost-of-living  
67 adjustments received by such member in the payment under this section prior to  
68 such member's death.

69 5. The determination of whether the retirement system will remain  
70 actuarially sound shall be made at the time any cost-of-living adjustment under  
71 this section is granted. If at any time the retirement system ceases to be  
72 actuarially sound, supplemental retirement benefit payments under subsection  
73 1 of this section and supplemental compensation payments as a consultant under  
74 subsection 2 of this section shall continue as adjusted by increases or decreases  
75 theretofore granted. A member of the retirement board shall have no personal  
76 liability for granting increases under this section if that retirement board member  
77 in good faith relied and acted upon advice of a qualified actuary that the  
78 retirement system would remain actuarially sound.

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