

FIRST REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 268

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR COLEMAN.

Read 1st time January 11, 2007, and ordered printed.

Read 2nd time January 18, 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.

Taken up for Perfection March 7, 2007. Bill declared Perfected and Ordered Printed.

TERRY L. SPIELER, Secretary.

0619L.01P

AN ACT

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

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

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2 repealed and four new sections enacted in lieu thereof, to be known as sections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

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

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

15 3. Beginning October 1, 1999, in addition to any other benefit provided to

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

16 any surviving spouse pursuant to sections 86.200 to 86.366, each present and
17 future surviving spouse of a member after attaining the age of sixty years shall
18 upon application to the board of trustees, be made, constituted, appointed and
19 employed by the board of trustees as an advisor on the problems of retirement,
20 aging and other matters for the remainder of the surviving spouse's life or until
21 the surviving spouse remarries, whichever is earlier, and upon request of the
22 board of trustees shall give opinions in writing or orally in response to such
23 requests as may be required.

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

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

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

86.333. [At the first valuation after the effective date of these
2 amendments the actuary engaged by the board of trustees shall compute the rate
3 percent of the total earnable compensation of all members which is equivalent to
4 four percent of the amount of the total unfunded benefit liability on account of all

5 members and beneficiaries which is not dischargeable by the aforesaid normal
6 contribution made on account of such members during the remainder of their
7 active service. The rate percent originally so determined shall be known as "the
8 accrued liability contribution rate".] **1. After each annual valuation for plan**
9 **years beginning on or after October 1, 2007, the actuary engaged by the**
10 **board to make the valuation required by sections 86.200 to 86.366 shall**
11 **determine the actuarial accrued liability under the entry age normal**
12 **actuarial cost method. Under the entry age normal actuarial cost**
13 **method, the actuarial present value of the projected benefits of each**
14 **individual included in an actuarial valuation is allocated on a level**
15 **basis over the service of the individual entry age and assumed**
16 **exit ages. The portion of this actuarial present value of future normal**
17 **costs is called the actuarial accrued liability.**

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

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

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

10 **(1) The sum of the normal cost determined under section 86.330**
11 **and the accrued liability contributions determined under section**
12 **86.333; and**

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

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