

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend House Bill No. 515, Page 13, Section 86.320, Line 22,

2 by inserting after all of said line the following:

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

8 2. Except as provided in subsection 3 of this section, a
9 member who served on active duty in the Armed Forces of the
10 United States and who became a member, or returned to membership,
11 after discharge under honorable conditions, may elect prior to
12 retirement to purchase creditable service equivalent to such
13 service in the Armed Forces, not to exceed two years, provided
14 the member is not receiving and is not eligible to receive
15 retirement credits or benefits from any other public or private
16 retirement plan for the service to be purchased, other than a
17 United States military service retirement system or United States
18 Social Security benefits attributable to such military service,
19 and an affidavit so stating is filed by the member with the
20 retirement system. A member electing to make such purchase shall
21 pay to the retirement system an amount equal to the actuarial

1 cost of the additional benefits attributable to the additional
2 service credit to be purchased, as of the date the member elects
3 to make such purchase. Payment in full of the amount due from a
4 member electing to purchase creditable service under this
5 subsection shall be made over a period not to exceed five years,
6 measured from the date of election, or prior to the commencement
7 date for payment of benefits to the member from the retirement
8 system, whichever is earlier, including interest on unpaid
9 balances compounded annually at the interest rate assumed from
10 time to time for actuarial valuations of the retirement system.
11 If payment in full including interest is not made within the
12 prescribed period, any partial payments made by the member shall
13 be refunded, and no creditable service attributable to such
14 election, or as a result of any such partial payments, shall be
15 allowed; provided that if a benefit commencement date occurs
16 because of the death or disability of a member who has made an
17 election under this subsection and if the member is current in
18 payments under an approved installment plan at the time of the
19 death or disability, such election shall be valid if the member,
20 the surviving spouse, or other person entitled to benefit
21 payments pays the entire balance of the remaining amount due,
22 including interest to the date of such payment, within sixty days
23 after the member's death or disability. The time of a disability
24 shall be deemed to be the time when such member is retired by the
25 board of police commissioners for reason of disability as
26 provided in sections 86.900 to 86.1280.

27 3. Notwithstanding any other provision of sections 86.900
28 to 86.1280, on or after August 28, 2015, a member who [is on
29 leave of absence for military service during any portion of which

1 leave the United States is in a state of declared war, or a
2 compulsory draft is in effect for any of the military branches of
3 the United States, or any units of the military reserves of the
4 United States, including the National Guard, are mobilized for
5 combat military operations,] returns to service from a leave of
6 absence for active duty military service and who becomes entitled
7 to reemployment rights and other employment benefits under Title
8 38, Chapter 43 of the U.S. Code, relating to employment and
9 reemployment rights of members of the uniformed services by
10 meeting the requirements for such rights and benefits under
11 Section 4312 of said chapter, or the corresponding provisions of
12 any subsequent applicable federal statute, shall be entitled to
13 service credit for the time spent in such military service for
14 all purposes of sections 86.900 to 86.1280 [and such member shall
15 not be required to pay any member contributions for such time.
16 If it becomes necessary for the years of such service to be
17 included in the calculation of such member's compensation for any
18 purpose, such member shall be deemed to have received the same
19 compensation throughout such period of service as the member's
20 base annual salary immediately prior to the commencement of such
21 leave of absence; provided, however, that the foregoing
22 provisions of this subsection shall apply only to such portion of
23 such leave with respect to which the cumulative length of the
24 absence and of all previous absences from a position of
25 employment with the employer by reason of service in the
26 uniformed services does not exceed five years except for such
27 period of any such excess as meets the requirements for
28 exceptions to such five-year limitation set forth in the
29 aforesaid Section 4312] only to the extent such member pays any

1 required member contributions for such time. The amount of
2 required member contributions shall be calculated on the base
3 compensation the member would have received during such leave
4 period. The total amount of service credit that will be granted
5 at the member contribution rate is limited to a maximum of five
6 years. The retirement board may waive the required contributions
7 for military leave of absence, not to exceed three years of
8 creditable service, if the member provides duty orders under
9 Title 10 or Title 32 U.S.C. and discharge from active duty
10 documentation in the form of a DD214 or NGB23.

11 86.1270. 1. A retirement plan under sections 86.900 to
12 86.1280 is a qualified plan under the provisions of applicable
13 federal law. The benefits and conditions of a retirement plan
14 under sections 86.900 to 86.1280 shall always be adjusted to
15 ensure that the tax-exempt status is maintained.

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

19 3. The retirement board shall hold in trust the assets of
20 the retirement system for the exclusive benefit of the members
21 and their beneficiaries and for defraying reasonable
22 administrative expenses of the system. No part of such assets
23 shall, at any time prior to the satisfaction of all liabilities
24 with respect to members and their beneficiaries, be used for or
25 diverted to any purpose other than such exclusive benefit or to
26 any purpose inconsistent with sections 86.900 to 86.1280.

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

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

3 (2) Age sixty for any Tier I member who has completed at
4 least ten years of creditable service or age sixty for any Tier
5 II member who has completed at least fifteen years of creditable
6 service;

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

8 (4) To the extent funded, upon the termination of the
9 system established under sections 86.900 to 86.1280 or any
10 partial termination which affects the members or any complete
11 discontinuance of contributions by the city to the system.
12 Amounts representing forfeited nonvested benefits of terminated
13 members shall not be used to increase benefits payable from the
14 system but may be used to reduce contributions for future plan
15 years.

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

22 6. A member or beneficiary of a member shall not accrue a
23 service retirement annuity, disability retirement annuity, death
24 benefit, whether death occurs in the line of duty or otherwise,
25 or any other benefit under sections 86.900 to 86.1280 in excess
26 of the benefit limits applicable to the fund under Section 415 of
27 the Internal Revenue Code. The retirement board shall reduce the
28 amount of any benefit that exceeds those limits by the amount of
29 the excess. If the total benefits under the retirement system

1 and the benefits and contributions to which any member is
2 entitled under any other qualified plan or plans maintained by
3 the board of police commissioners that employs the member would
4 otherwise exceed the applicable limits under Section 415 of the
5 Internal Revenue Code, the benefits the member would otherwise
6 receive from the retirement system shall be reduced to the extent
7 necessary to enable the benefits to comply with Section 415 of
8 the Internal Revenue Code.

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

16 8. If the amount of any benefit is to be determined on the
17 basis of actuarial assumptions that are not otherwise
18 specifically set forth for that purpose in sections 86.900 to
19 86.1280, the actuarial assumptions to be used are those earnings
20 and mortality assumptions being used on the date of the
21 determination by the retirement system's actuary and approved by
22 the retirement board. The actuarial assumptions being used at
23 any particular time shall be attached as an addendum to a copy of
24 the retirement system's statute that is maintained by the
25 retirement board and shall be treated for all purposes as a part
26 of sections 86.900 to 86.1280. The actuarial assumptions may be
27 changed by the retirement system's actuary annually if approved
28 by the retirement board, but a change in actuarial assumptions
29 shall not result in any decrease in benefits accrued as of the

1 effective date of the change.

2 9. Any member or beneficiary who is entitled to receive any
3 distribution that is an eligible rollover distribution, as
4 defined by Section 402(c)(4) of the Internal Revenue Code, is
5 entitled to have that distribution transferred directly to
6 another eligible retirement plan of the member's or beneficiary's
7 choice upon providing direction to the secretary of this
8 retirement system regarding the transfer in accordance with
9 procedures established by the retirement board. Effective for
10 distributions made on or after January 1, 2010, a nonspouse
11 beneficiary may elect to directly rollover an eligible rollover
12 distribution to an individual retirement account under Section
13 408(a) of the Internal Revenue Code of 1986, as amended; to an
14 individual retirement annuity under Section 408(b) of the
15 Internal Revenue Code of 1986, as amended; or if the participant
16 satisfies the requirements for making a Roth contribution under
17 Section 408(A)(c)(3)(B) of the Internal Revenue Code of 1986, as
18 amended, to a Roth individual retirement account.

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

20 (1) For the purposes of subsection 9 of this section, an
21 eligible retirement plan shall also mean an annuity contract
22 described in Section 403(b) of the Internal Revenue Code and an
23 eligible plan under Section 457(b) of the Internal Revenue Code
24 which is maintained by the state, political subdivision of a
25 state, or any agency or instrumentality of a state or political
26 subdivision of a state and which agrees to separately account for
27 amounts transferred into such plan from the retirement system.
28 The definition of eligible retirement plan shall also apply in
29 the case of a distribution to a surviving spouse or to a spouse

1 or former spouse who is the alternate payee under a qualified
2 domestic relations order, as defined in Section 414(p) of the
3 Internal Revenue Code; and

4 (2) For purposes of subsection 9 of this section, a portion
5 of a distribution shall not fail to be an eligible rollover
6 distribution merely because the portion consists of after-tax
7 employee contributions which are not includable in gross income.
8 However, such portion may be paid only to an individual
9 retirement account or annuity described in Section 408(a) or
10 408(b) of the Internal Revenue Code, or to a qualified defined
11 contribution plan described in Section 401(a) or 403(a) of the
12 Internal Revenue Code that agrees to separately account for
13 amounts so transferred, including separately accounting for the
14 portion of such distribution that is includable in gross income
15 and the portion of such distribution that is not so includable.

16 86.1500. 1. Whenever a member is given a leave of absence
17 for military service and returns to employment after discharge
18 from the service, such member shall be entitled to creditable
19 service for the years of employment prior to the leave of
20 absence.

21 2. Except as provided in subsection 3 of this section, a
22 member who served on active duty in the Armed Forces of the
23 United States and who became a member, or returned to membership,
24 after discharge under honorable conditions, may elect prior to
25 retirement to purchase creditable service equivalent to such
26 service in the Armed Forces, not to exceed two years, provided
27 the member is not receiving and is not eligible to receive
28 retirement credits or benefits from any other public or private
29 retirement plan for the service to be purchased, other than a

1 United States military service retirement system or United States
2 Social Security benefits attributable to such military service,
3 and an affidavit so stating is filed by the member with the
4 retirement system. A member electing to make such purchase shall
5 pay to the retirement system an amount equal to the actuarial
6 cost of the additional benefits attributable to the additional
7 service credit to be purchased, as of the date the member elects
8 to make such purchase. Payment in full of the amount due from a
9 member electing to purchase creditable service under this
10 subsection shall be made over a period not to exceed five years,
11 measured from the date of election, or prior to the commencement
12 date for payment of benefits to the member from the retirement
13 system, whichever is earlier, including interest on unpaid
14 balances compounded annually at the interest rate assumed from
15 time to time for actuarial valuations of the retirement system.
16 If payment in full including interest is not made within the
17 prescribed period, any partial payments made by the member shall
18 be refunded, and no creditable service attributable to such
19 election, or as a result of any such partial payments, shall be
20 allowed; provided that if a benefit commencement date occurs
21 because of the death or disability of a member who has made an
22 election under this subsection and if the member is current in
23 payments under an approved installment plan at the time of the
24 death or disability, such election shall be valid if the member,
25 the surviving spouse or other person entitled to benefit payments
26 pays the entire balance of the remaining amount due, including
27 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
29 deemed to be the time when such member is determined by the

1 retirement board to be totally and permanently disabled as
2 provided in section 86.1560.

3 3. Notwithstanding any other provision of sections 86.1310
4 to 86.1640, on or after August 28, 2015, a member who [is on
5 leave of absence for military service during any portion of which
6 leave the United States is in a state of declared war, or a
7 compulsory draft is in effect for any of the military branches of
8 the United States, or any units of the military reserves of the
9 United States, including the National Guard, are mobilized for
10 combat military operations,] returns to service from a leave of
11 absence for active duty military service and who becomes entitled
12 to reemployment rights and other employment benefits under Title
13 38, Chapter 43 of the U.S. Code, relating to employment and
14 reemployment rights of members of the uniformed services by
15 meeting the requirements for such rights and benefits under
16 Section 4312 of said chapter, or the corresponding provisions of
17 any subsequent applicable federal statute, shall be entitled to
18 service credit for the time spent in such military service for
19 all purposes of sections 86.1310 to 86.1640 [and such member
20 shall not be required to pay any member contributions for such
21 time. If it becomes necessary for the years of such service to
22 be included in the calculation of such member's compensation for
23 any purpose, such member shall be deemed to have received the
24 same compensation throughout such period of service as the
25 member's base annual salary immediately prior to the commencement
26 of such leave of absence; provided, however, that the foregoing
27 provisions of this subsection shall apply only to such portion of
28 such leave with respect to which the cumulative length of the
29 absence and of all previous absences from a position of

1 employment with the employer by reason of service in the
2 uniformed services does not exceed five years except for such
3 period of any such excess as meets the requirements for
4 exceptions to such five-year limitation set forth in the
5 aforesaid Section 4312] only to the extent such member pays any
6 required member contributions for such time. The amount of
7 required member contributions shall be calculated on the base
8 compensation the member would have received during such leave
9 period. The total amount of service credit that will be granted
10 at the member contribution rate is limited to a maximum of five
11 years. The retirement board may waive the required contributions
12 for military leave of absence, not to exceed three years of
13 creditable service, if the member provides duty orders under
14 Title 10 or Title 32 U.S.C. and discharge from active duty
15 documentation in the form of a DD214 or NGB23.

16 86.1630. 1. A retirement plan under sections 86.1310 to
17 86.1640 is a qualified plan under the provisions of applicable
18 federal law. The benefits and conditions of a retirement plan
19 under sections 86.1310 to 86.1640 shall always be adjusted to
20 ensure that the tax-exempt status is maintained.

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

24 3. The retirement board shall hold in trust the assets of
25 the retirement system for the exclusive benefit of the members
26 and their beneficiaries and for defraying reasonable
27 administrative expenses of the system. No part of such assets
28 shall, at any time prior to the satisfaction of all liabilities
29 with respect to members and their beneficiaries, be used for or

1 diverted to any purpose other than such exclusive benefit or to
2 any purpose inconsistent with sections 86.1310 to 86.1640.

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

6 (1) The attaining of the age of sixty-five or the member's
7 tenth anniversary of employment, whichever is later for any Tier
8 I member, or the attaining of the age of sixty-seven or the
9 member's twentieth anniversary of employment, whichever is later
10 for any Tier II member;

11 (2) For any Tier I member when the total sum of age and
12 years of creditable service equals or exceeds eighty, or for any
13 Tier II member when the total sum of age and years of creditable
14 service equals or exceeds eighty-five; or

15 (3) To the extent funded, upon the termination of the
16 system established under sections 86.1310 to 86.1640 or any
17 partial termination which affects the member or any complete
18 discontinuance of contributions by the city to the system.
19 Amounts representing forfeited nonvested benefits of terminated
20 members shall not be used to increase benefits payable from the
21 system but may be used to reduce contributions for future plan
22 years.

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

29 6. A member or beneficiary of a member shall not accrue a

1 service retirement annuity, disability retirement annuity, death
2 benefit, whether death occurs in the line of duty or otherwise,
3 or any other benefit under sections 86.1310 to 86.1640 in excess
4 of the benefit limits applicable to the fund under Section 415 of
5 the Internal Revenue Code. The retirement board shall reduce the
6 amount of any benefit that exceeds the limits of this section by
7 the amount of the excess. If the total benefits under the
8 retirement system and the benefits and contributions to which any
9 member is entitled under any other qualified plan or plans
10 maintained by the board of police commissioners that employs the
11 member would otherwise exceed the applicable limits under Section
12 415 of the Internal Revenue Code, the benefits the member would
13 otherwise receive from the retirement system are reduced to the
14 extent necessary to enable the benefits to comply with Section
15 415 of the Internal Revenue Code.

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

23 8. If the amount of any benefit is determined on the basis
24 of actuarial assumptions that are not specifically set forth for
25 that purpose in sections 86.1310 to 86.1640, the actuarial
26 assumptions to be used are those earnings and mortality
27 assumptions used on the date of the determination by the
28 retirement system's actuary and approved by the retirement board.
29 The actuarial assumptions used at any particular time shall be

1 attached as an addendum to a copy of the retirement system's
2 statute maintained by the retirement board and shall be treated
3 for all purposes as part of sections 86.1310 to 86.1640. The
4 actuarial assumptions may be changed by the retirement system's
5 actuary annually if approved by the retirement board, but a
6 change in actuarial assumptions shall not result in any decrease
7 in benefits accrued as of the effective date of the change.

8 9. Any member or beneficiary who is entitled to receive any
9 distribution that is an eligible rollover distribution, as
10 defined by Section 402(c)(4) of the Internal Revenue Code, is
11 entitled to have that distribution transferred directly to
12 another eligible retirement plan of the member's or beneficiary's
13 choice upon providing direction to the secretary of the
14 retirement system regarding the transfer in accordance with
15 procedures established by the retirement board. Effective for
16 distributions made on or after January 1, 2010, a nonspouse
17 beneficiary may elect to directly rollover an eligible rollover
18 distribution to an individual retirement account under Section
19 408(a) of the Internal Revenue Code of 1986, as amended; to an
20 individual retirement annuity under Section 408(b) of the
21 Internal Revenue Code of 1986, as amended; or if the participant
22 satisfies the requirements for making a Roth contribution under
23 Section 408(A)(c)(3)(B) of the Internal Revenue Code of 1986, as
24 amended, to a Roth individual retirement account.

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

26 (1) For the purposes of subsection 9 of this section, an
27 eligible retirement plan shall also mean an annuity described in
28 Section 403(b) of the Internal Revenue Code and an eligible plan
29 under Section 457(b) of the Internal Revenue Code that is

1 maintained by a state, political subdivision of a state, or any
2 agency or instrumentality of a state or political subdivision of
3 a state and which agrees to separately account for amounts
4 transferred into such plan from the retirement system. The
5 definition for eligible retirement plan shall also apply in the
6 case of a distribution to a surviving spouse or to a spouse or
7 former spouse who is the alternate payee under a qualified
8 domestic relations order, as defined in Section 414(p) of the
9 Internal Revenue Code; and

10 (2) For the purposes of subsection 9 of this section, a
11 portion of a distribution shall not fail to be an eligible
12 rollover distribution merely because the portion consists of
13 after-tax employee contributions which are not includable in
14 gross income. However, such portion may be paid only to an
15 individual retirement account or annuity described in Section
16 408(a) or 408(b) of the Internal Revenue Code, or to a qualified
17 defined contribution plan described in Section 401(a) or 403(a)
18 of the Internal Revenue Code that agrees to separately account
19 for amounts so transferred, including separately accounting for
20 the portion of such distribution that is includable in gross
21 income and the portion of such distribution that is not so
22 includable."; and

23 Further amend the title and enacting clause accordingly.