

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT
THIRD QUARTER MEETING
September 14, 2010

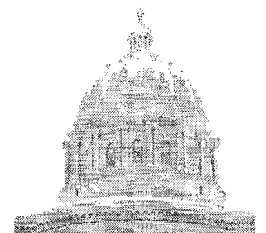
The Joint Committee on Public Employee Retirement held its 3rd Quarter Meeting at 3:30pm in House Hearing Room 1. With a quorum being established, Vice-Chairman Crowell called the meeting to order. Joint Committee members in attendance were Senators Crowell, Days, Green, Keaveny, Rupp and Scott and Representatives Atkins, Norr, Schlottach, and Yae-ger. Representatives Franz and Viebrock were not in attendance.

The Vice-Chairman turned the meeting over to the Executive Director, Ronda Stegmann. Preliminary plan year 2009 data was reviewed. Plan assets, liabilities, revenue streams and outflows were outlined. Preliminary numbers show a net investment loss in excess of \$8 billion was experienced by Missouri's public pension plans. This loss reflects the downturn in the investment markets in 2008 and 2009. It was noted these unprecedented losses are similar to those experienced by pension plans throughout the country. This reporting is subject to change as the remaining plans are included in the totals.

Quarterly plan reporting was reviewed for the 2nd quarter of 2010. Thirty-nine of the 85 defined benefit plans monitored have reported to date for the quarterly period ending 06/30/10. The majority of plans reporting this information experienced double digit investment returns for the 12 month period. It was emphasized that the information contained in the quarterly report is not designed to be a comparison of plans and their rates of return but rather a compilation of plan data which reflects one of the primary objectives in establishing the Joint Committee as a entity to house Missouri public pension plan data.

A chart of pension modification legislation enacted to date in 19 states during 2010 was presented to the committee. This chart was assembled by NCSL and outlines changes made to public pension plans across the nation. Common modifications include employee contribution rates, age & service requirements and return to work criteria.

The committee was given an update on the City of Springfield's request for a declaratory judgment regarding the definition of "actuarial soundness," as pertains to the granting of cost-of-living adjustments to retired police & firefighters. It was noted that the case has not yet been heard.



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Joseph A. Nichols, actuary with McCloud & Nichols, Inc., presented information to the committee regarding considerations associated with any potential discussion of addressing the definition of "actuarially sound." The members had the opportunity to direct questions to Mr. Nichols regarding his perspective on this issue. It was noted that Mr. Nichols is one of many qualified and experienced actuaries providing services to Missouri's public pension plans.

The fourth quarter meeting is tentatively scheduled for Wednesday, December 1, 2010. The agenda for this meeting will include a review of plans that are under 70% funded on a market value basis.

No further business being presented, the committee adjourned.


 Ronda Stegmann
 Executive Director



JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

3rd QUARTER MEETING
September 14, 2010
3:30 pm

AGENDA

Roll Call

Preliminary Plan Year 2009 Reporting
Quarterly Plan Reporting

Legislative

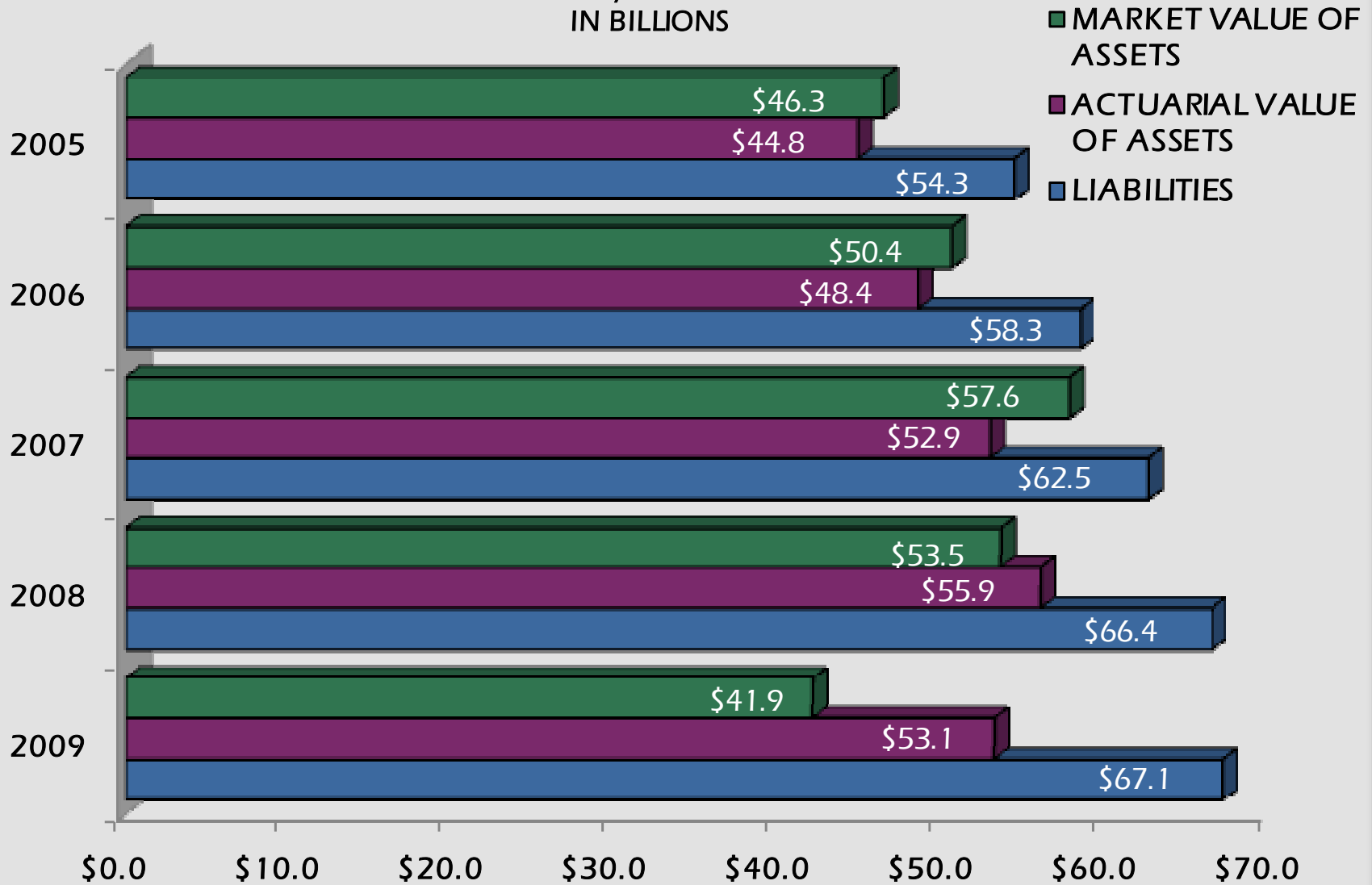
Springfield Police & Fire Retirement Plan
Petition for Declaratory Judgment

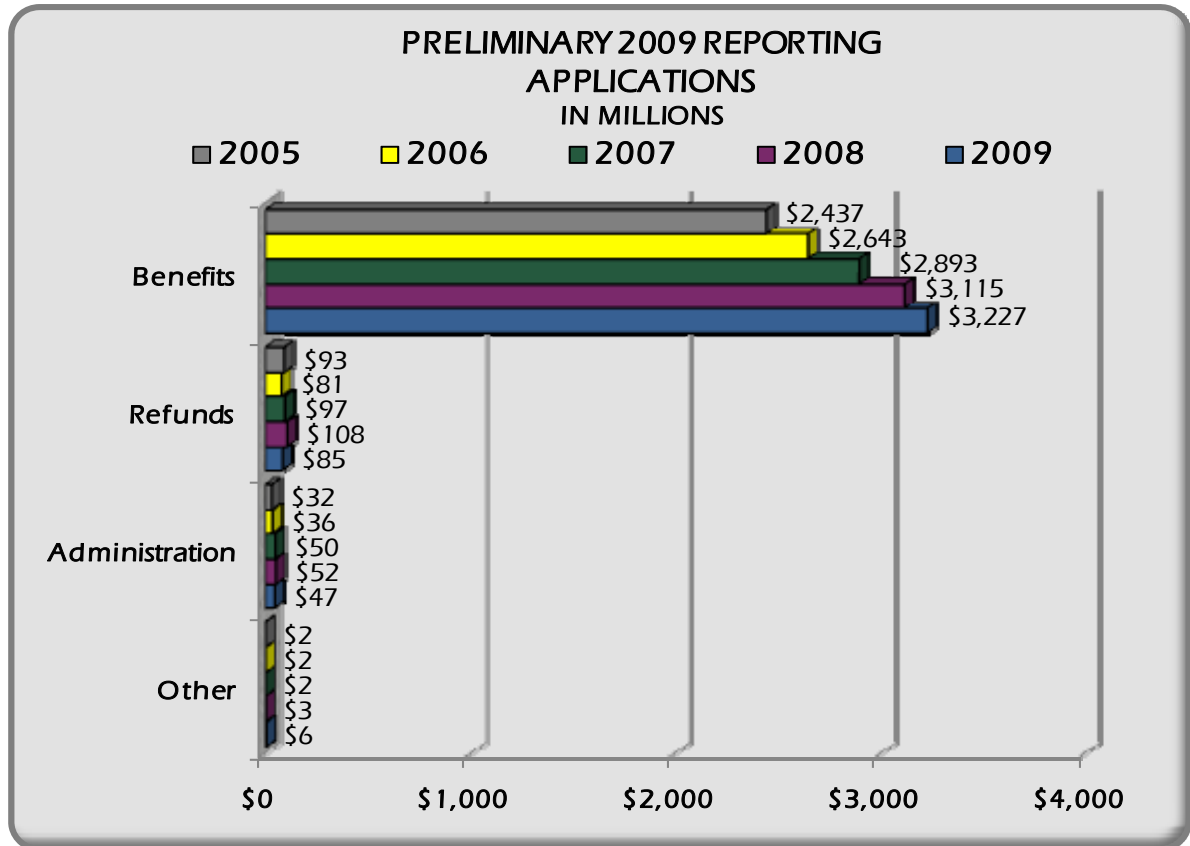
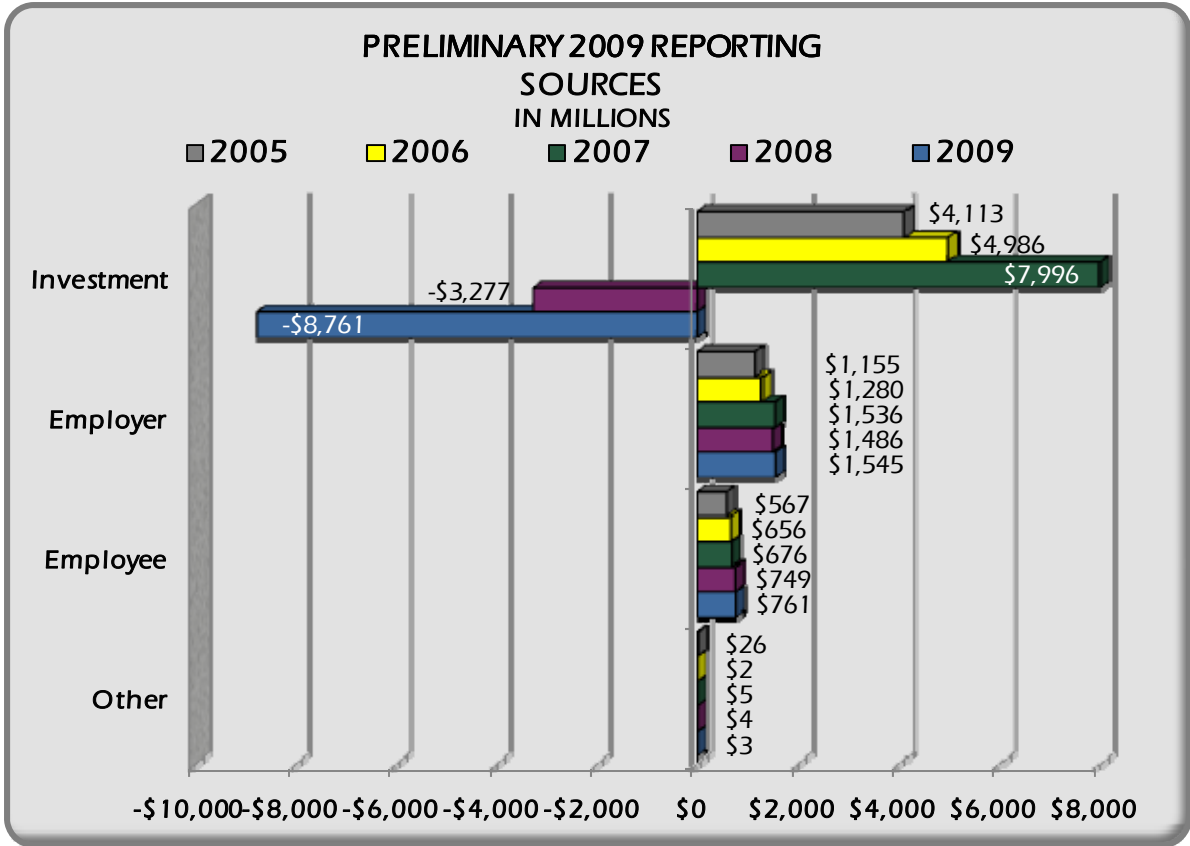
Joseph A. Nichols, ASA, MAAAA, EA, ACOPA
Actuary

Other Business
Watch List Meeting



PRELIMINARY 2009 REPORTING
ASSETS/LIABILITIES
IN BILLIONS





Joint Committee on Public Employee Retirement

Quarterly Reports

2010 Second Quarter

<u>Plan Name</u>	<u>Beg. Market Value</u>	<u>End. Market Value</u>	<u>ROR 12 mos.</u>	<u>ROR 36 mos.</u>	<u>ROR 60 mos.</u>
Arnold Police Pension Plan	\$6,651,300	\$6,042,767	10.3% (Net)	3.5% (Net)	n/a% (Net)
Black Jack FPD Retirement Plan	\$6,698,430	\$5,545,119	12% (Net)	3% (Net)	1% (Net)
Bothwell Regional Health Center Retirement Plan	\$33,875,702	\$32,223,900	11.8% (Net)	-2.5% (Net)	3.7% (Net)
Bridgeton Employees Retirement Plan	\$19,099,433	\$17,859,977	12.23% (Gross)	-7.45% (Gross)	-0.19% (Gross)
Carthage Policemen's & Firemen's Pension Plan	\$5,376,174	\$4,989,623	11.10% (Net)	.46% (Net)	2.49% (Net)
County Employees Retirement Fund	\$272,311,000	\$258,881,000	13.1% (Gross)	-2.2% (Gross)	3.5% (Gross)
Creve Coeur FPD Retirement Plan	\$7,071,750	\$6,495,296	N/A% (Gross)	N/A% (Gross)	N/A% (Gross)
Eureka FPD Retirement Plan	\$6,262,070	\$5,824,405	13.9% (Net)	-6.15% (Net)	0.28% (Net)
Fenton FPD Retirement Plan	\$19,937,051	\$19,147,791	10.67% (Net)	-3.19% (Net)	0.01% (Net)
Florissant Employees Pension Plan	\$10,084,246	\$9,118,279	13.25% (Net)	-9.37% (Net)	-1.01% (Net)
Florissant Valley FPD Retirement Plan	\$14,400,479	\$13,927,912	n/a% (Net)	n/a% (Net)	n/a% (Net)
Glendale Pension Plan	\$4,240,840	\$4,086,336	14.80% (Gross)	na% (Gross)	na% (Gross)
Jackson County Employees Pension Plan	\$157,129,574	\$148,667,684	13.33% (Gross)	-1.79% (Gross)	.07% (Gross)
Joplin Police & Fire Pension Plan	\$24,533,313	\$23,216,413	-3.3% (Net)	-2.0% (Net)	4.3% (Net)
Kansas City Civilian Police Employees' Retirement System	\$87,301,000	\$85,668,000	15.2% (Gross)	-3.9% (Gross)	2.8% (Gross)
Kansas City Police Retirement System	\$648,574,000	\$611,470,000	15.1% (Gross)	-3.5% (Gross)	3.2% (Gross)
KC Area Transportation Authority Salaried Employees Pension Plan	\$10,709,509	\$10,470,164	11.50% (Gross)	-4.50% (Gross)	1.95% (Gross)
KC Trans. Auth. Union Employees Pension Plan	\$33,927,904	\$31,637,975	16.40% (Net)	-3.75% (Net)	2.29% (Net)
Ladue Non-uniformed Employees Retirement Plan	\$2,969,526	\$2,793,470	15.14% (Net)	-3.17% (Net)	2.28% (Net)
Ladue Police & Fire Pension Plan	\$20,715,868	\$19,508,611	15.75% (Net)	-3.20% (Net)	2.29% (Net)
Little River Drainage Dist Retirement Plan	\$897,574	\$899,838	2.45% (Net)	2.52% (Net)	2.68% (Net)
Mehlville FPD Retirement Plan	\$25,337,974	\$24,290,968	1% (Gross)	1% (Gross)	1% (Gross)
Metro St. Louis Sewer Dist Employees Pension Plan	\$181,667,021	\$175,554,941	11.2% (Net)	-0.4% (Net)	4.4% (Net)

Please be aware information provided in this report may contain unaudited data.

9/14/2010

<u>Plan Name</u>	<u>Beg. Market Value</u>	<u>End. Market Value</u>	<u>ROR 12 mos.</u>	<u>ROR 36 mos.</u>	<u>ROR 60 mos.</u>
Missouri State Employees Retirement System	\$7,082,526,496	\$6,805,863,852	14.3057% (Net)	-2.0456% (Net)	4.4632% (Net)
North Kansas City Hospital Retirement Plan	\$176,425,863	\$167,283,439	14.77% (Net)	-2.59% (Net)	2.51% (Net)
North Kansas City Policemen's & Firemen's Retirement Fund	\$34,834,115	\$32,068,480	14.84% (Gross)	-2.81% (Gross)	2.12% (Gross)
Public Education Employees' Retirement System	\$2,496,528,000	\$2,393,717,000	12.69% (Net)	-4.48% (Net)	2.21% (Net)
Public School Retirement System	\$24,815,907,000	\$23,637,741,000	12.99% (Net)	-4.53% (Net)	2.17% (Net)
Richmond Heights Police & Fire Retirement Plan	\$30,163,389	\$28,362,163	14.0% (Net)	-1.35% (Net)	4.21% (Net)
Sheriff's Retirement System	\$28,032,719	\$26,341,506	14.445% (Gross)	5.234% (Gross)	5.796% (Gross)
Springfield Police & Fire Retirement Fund	\$139,906,424	\$140,634,188	11.10% (Net)	-5.20% (Net)	.23% (Net)
St. Joseph Policemen's Pension Fund	\$24,397,387	\$23,041,189	10.4% (Gross)	-6.5% (Gross)	18.0% (Gross)
St. Louis County Employees Retirement Plan	\$425,755,980	\$399,945,310	16.04% (Gross)	-5.04% (Gross)	2.16% (Gross)
St. Louis County Library Dist Empl Pension Plan	\$33,023,089	\$30,766,603	-2.1% (Net)	-.3% (Net)	4.7% (Net)
St. Louis Employees Retirement System	\$584,675,311	\$549,144,054	11.48% (Gross)	-4.03% (Gross)	3.39% (Gross)
St. Louis Firemen's Retirement System	\$385,601,313	\$349,406,672	11.09% (Gross)	-6.58% (Gross)	1.15% (Gross)
St. Louis Public School Retirement System	\$888,664,735	\$822,074,054	14.5% (Gross)	-2.6% (Gross)	3.5% (Gross)
University of Mo Retirement, Disability & Death Benefit Plan	\$2,443,131,000	\$2,341,463,000	12.7% (Net)	-4.7% (Net)	3.2% (Net)
Valley Park FPD Retirement Plan	\$3,086,941	\$2,915,867	9.71% (Gross)	n/a% (Gross)	n/a% (Gross)
	<u>\$41,192,431,500</u>	<u>\$39,269,088,846</u>			

ISSUES ADDRESSED IN 2010 STATE PENSIONS LEGISLATION
NATIONAL CONFERENCE OF STATE LEGISLATURES, JULY, 2010

KEY TO CHART: Provisions noted apply to members of at least one statewide public employees' or teachers' retirement plan.
 √√ indicates that provisions apply to at least some active members as well as those to be hired after the enactment of the legislation.
 √* indicates provisions of the defined benefit portion of hybrid plans adopted in Michigan and Utah affecting future employees.

State	Higher Vesting or Membership Requirement	Increased Age/Service Requirement for Normal Retirement	Lower Multiplier	Longer Period to Calculate Final Average Compensation	More Stringent Anti-Spiking Provision	Greater Restrictions on Return to Covered Service	Reduced Benefit for Early Retirement	Higher Employee Contribution Requirement	Reduction in Post-Retirement Increase
Arizona		√		√			√		
Colorado		√			√	√√	√√	√√	√√
Georgia						√√			
Hawaii						√√			
Illinois		√		√		√	√		√
Iowa	√			√			√	√√	
Louisiana				√				√	
Michigan		√*		√*		√√			√*
Minnesota	√						√	√√	√√

State/System	Higher Vesting or Membership Requirement	Increased Age/Service Requirement for Normal Retirement	Lower Multiplier	Longer Period to Calculate Final Average Compensation	More Stringent Anti-Spiking Provision	Greater Restrictions on Return to Covered Service	Reduced Benefit for Early Retirement	Higher Employee Contribution Requirement	Reduction in Post-Retirement Increase
Mississippi		√				√√		√√	
Missouri	√	√					√	√	
New Jersey	√		√	√					
New Mexico						√√			
Rhode Island									√√
South Dakota						√√			√√
Utah		√*	√*			√√	√*		√
Vermont		√√			√√		√√	√√	
Virginia		√		√			√	√	√
Wyoming								√√	

Contact: Ron Snell
Ron.snell@ncsl.org
303-856-1534

Constitutional / Statutory References

Missouri Constitution - Article VI - Section 25

Limitation on use of credit and grant of public funds by local governments--pensions and retirement plans for employees of certain cities and counties.

Section 25. No county, city or other political corporation or subdivision of the state shall be authorized to lend its credit or grant public money or property to any private individual, association or corporation except as provided in Article VI, Section 23(a) and except that the general assembly may authorize any county, city or other political corporation or subdivision to provide for the retirement or pensioning of its officers and employees and the surviving spouses and children of deceased officers and employees and may also authorize payments from any public funds into a fund or funds for paying benefits upon retirement, disability or death to persons employed and paid out of any public fund for educational services and to their beneficiaries or estates; and except, also, that any county of the first class is authorized to provide for the creation and establishment of death benefits, pension and retirement plans for all its salaried employees, and the surviving spouses and minor children of such deceased employees; and except also, any county, city or political corporation or subdivision may provide for the payment of periodic cost of living increases in pension and retirement benefits paid under this section to its retired officers and employees and spouses of deceased officers and employees, provided such pension and retirement systems will remain *actuarially sound*.

Source: Const. of 1875, Art. IV, §§ 47, 47a, 48a, (as amended November 2, 1948).

(Amended January 14, 1966)

(Amended November 6, 1984)

(1953) Election of St. Louis City board of education to bring school district under workmen's compensation system of state held not violative of constitution particularly in view of teachers' pension provision of § 25, Art. VI. Hickey v. Board of Education of City of St. Louis, 363 Mo. 1039, 256 S.W.2d 775.

(1968) Allowing proceeds of tax to be expended by private agency violates this section. Ruggeri v. City of St. Louis (Mo.), 429 S.W.2d 765.

(1975) Held an increase in pensions for persons already retired based on cost of living violates Art. VI, § 25, Const. of Mo. and that pension funds retain their identity as public funds. Section 86.441 insofar as it applies to persons already retired on August 13, 1972, is unconstitutional. Police Retirement System v. Kansas City (Mo.), 529 S.W.2d 388.

(1975) Constitutionality upheld as not violating Art. III, § 39, or Art. VI, § 25, of the constitution of Missouri. State ex rel. Dreer v. Public School Retirement System (Mo.), 519 S.W.2d 290.

Section 21.562 - All Public Plans

Cost-of-living increases in pension benefits, notice of to committee, when--evidence of actuarial soundness, when.

21.562. 1. All state and local public employee retirement systems providing periodic cost-of-living increases in pension and retirement benefits paid to its retired officers and employees and spouses of deceased officers and employees prior to September 28, 1985, shall notify the joint committee on public employee retirement of such periodic cost-of-living increases within seven days after September 28, 1985.

2. All state or local public employee retirement systems shall notify the committee within seven calendar days when the governing body thereof which determines the amount and type of plan benefits to be paid takes final action providing any new or additional payments of periodic cost-of-living increases in pension and retirement benefits for its retired officers and employees and spouses of deceased officers and employees.

3. If so requested at any time by the committee, any state or local public employee retirement system providing such periodic cost-of-living increases shall provide satisfactory evidence of its actuarial soundness.

(L. 1985 H.B. 695)

Section 50.1210 - County Employees' Retirement Fund (CERF)

Contribution accounts established, board and nonLAGERS members to contribute to accounts.

50.1210. Effective with calendar years ending after January 1, 2000, the board shall make contributions to defined contribution accounts established on behalf of members of the retirement system. In addition, members of the retirement system who are not members of LAGERS shall contribute to this defined contribution program. The board's contributions shall be made from the revenues described in subsections 1 and 3 of section 50.1020, and sections 50.1190 and 50.1200, but only if it is determined that the entire amount of such revenues need not be contributed to the retirement system described in sections 50.1000 to 50.1200 in order to keep such retirement system actuarially sound. The provisions of sections 50.1220 to 50.1260 shall apply exclusively to the program described in this section.

(L. 1999 S.B. 308 & 314 merged with S.B. 467)

Effective 1-1-00

Section 86.1220 - Kansas City Police Retirement System

Cost-of-living adjustments in addition to base pension.

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

- (1) Every member who is retired and receiving a base pension from the retirement system;
 - (2) Every surviving spouse who is receiving a base pension from the retirement system; and
 - (3) Every child who, under subsection 2 of section 86.1250, is receiving the benefit, or a portion thereof, which would be payable to a surviving spouse of the member who was such child's parent.
2. Upon the death of a member who has been retired and receiving a pension and who dies after September 28, 1987, the surviving spouse of such member entitled to receive a base pension under section 86.1240 or children of such member entitled to receive a base pension under subsection 2 of section 86.1250 shall receive an immediate percentage cost-of-living adjustment to their respective base pension equal to the total percentage cost-of-living adjustments received during such member's lifetime under this section, except that the adjustment provided by this subsection shall not be made to a base pension calculated under either subdivision (1) or paragraph (b) of subdivision (2) of subsection 2 of section 86.1240, either for a surviving spouse or for a child or children entitled to a base pension measured by the pension to which a qualified surviving spouse would be entitled, wherein such base pension is determined by a percentage of the amount being received by the deceased member at death.

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

- (1) For a member, the pension computed under the provisions of the law as of the date of retirement without regard to cost-of-living adjustments, as adjusted, if applicable, for any election made under section 86.1210, but in all events not including any supplemental benefit under section 86.1230;

(2) For a surviving spouse, the base pension calculated for such spouse in accordance with the provisions of section 86.1240, including any compensation as a consultant to which such surviving spouse is entitled under said section in lieu of a pension thereunder, but not including any supplemental benefit under section 86.1230; and

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

4. The cost-of-living adjustment shall be an increase or decrease computed on the base pension amount by the retirement board in an amount that the board, in its discretion, determines to be satisfactory, but in no event shall the adjustment be more than three percent or reduce the pension to an amount less than the base pension. In determining and granting the cost-of-living adjustments, the retirement board shall adopt such rules and regulations as may be necessary to effectuate the purposes of this section, including provisions for the manner of computation of such adjustments and the effective dates thereof. The retirement board shall provide for such adjustments to be determined once each year and granted on a date or dates to be chosen by the board, and may apply such adjustments in full to members who have retired during the year prior to such adjustments but who have not been retired for one full year and to the surviving spouse or applicable children of a member who has died during the year prior to such adjustments.

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

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

(L. 2005 H.B. 323)

Section 86.1230 - Kansas City Police Retirement System

Supplemental retirement benefits, amount--member to be special consultant, compensation.

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

2. Any member who was retired on or before August 28, 1991, and is receiving retirement benefits from the retirement system shall, upon application to the retirement board, be retained as a consultant, and for such services such member shall receive each month, in addition to such member's base pension and cost-of-living adjustments thereto under section 86.1220, and in addition to any other compensation or benefit to which such member may be entitled under sections 86.900 to 86.1280, a supplemental compensation in the amount of fifty dollars per month. This appointment as a consultant shall in no way affect any member's eligibility for retirement benefits under the provisions of sections 86.900 to 86.1280, or in any way have the effect of

reducing retirement benefits otherwise payable to such member. The amount of such supplemental compensation under this subsection may be adjusted by cost-of-living adjustments determined by the retirement board not more frequently than annually.

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

4. Any member who is receiving benefits from the retirement system and who either was retired under the provisions of subdivision (1) of subsection 1 of section 86.1150, or who retired before August 28, 2001, under the provisions of section 86.1180 or section 86.1200, shall, upon application to the retirement board, be retained as a consultant. For such services such member shall receive each month in addition to such member's base pension and cost-of-living adjustments thereto under section 86.1220, and in addition to any other compensation or benefit to which such member may be entitled under sections 86.900 to 86.1280, an equalizing supplemental compensation of ten dollars per month. This appointment as a consultant shall in no way affect any member's eligibility for retirement benefits under the provisions of sections 86.900 to 86.1280, or in any way have the effect of reducing retirement benefits otherwise payable to such member. The amount of equalizing supplemental compensation under this subsection may be adjusted by cost-of-living adjustments, determined by the retirement board not more frequently than annually, but in no event shall the aggregate of such equalizing supplemental compensation together with all such cost-of-living adjustments thereto exceed twenty-five percent of the member's base pension. Each cost-of-living adjustment to compensation under this subsection shall be determined independently of any cost-of-living adjustment to any other benefit under sections 86.900 to 86.1280. For the purposes of this subsection, the term "member" shall include a surviving spouse entitled to benefits under the provisions of sections 86.900 to 86.1280, and who is the surviving spouse of a member who qualified, or would have qualified if living, for compensation under this subsection. Such surviving spouse shall, upon application to the retirement board, be retained as a consultant, and for such services shall be compensated in an amount equal to the compensation which would have been received by the member under this subsection, if living. Any such surviving spouse of a member who dies while entitled to payments under this subsection shall succeed to the full amount of payment under this subsection to which such member was entitled at the time of such member's death, including any cost-of-living adjustments received by such member in the payment under this subsection prior to such member's death. In all events, the term "member" shall not include any children of the member who would be entitled to receive part or all of the pension that would be received by a surviving spouse, if living.

5. A surviving spouse who is entitled to benefits under the provisions of subsection 1 of section 86.1240 as a result of the death prior to August 28, 2007, of a member in service, and who is receiving benefits from the retirement system, shall, upon application to the retirement board, be retained as a consultant, and for such services such surviving spouse shall receive each month an equalizing supplemental compensation of ten dollars per month. A surviving spouse entitled to benefits under the provisions of subsection 1 of section

86.1240 as a result of the death of a member in service on or after August 28, 2007, shall receive each month an equalizing supplemental benefit of ten dollars per month. All benefits payable to a surviving spouse under this subsection shall be in addition to all other benefits to which such surviving spouse may be entitled under other provisions of sections 86.900 to 86.1280 and shall in no way have the effect of reducing benefits otherwise payable to such surviving spouse. The amount of equalizing supplemental benefit or equalizing supplemental compensation under this subsection may be adjusted by cost-of-living adjustments, determined by the retirement board not more frequently than annually, but in no event shall the aggregate of such equalizing supplemental benefit or compensation together with all such cost-of-living adjustments thereto exceed twenty-five percent of the base pension of the surviving spouse. Each cost-of-living adjustment to an equalizing supplemental benefit or compensation under this subsection shall be determined independently of any cost-of-living adjustment to any other benefit under sections 86.900 to 86.1280. In all events the term "surviving spouse" as used in this subsection shall not include any children of the member who would be entitled to receive part or all of the pension that would be received by a surviving spouse, if living.

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

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

(L. 2005 H.B. 323, A.L. 2007 S.B. 172 and S.B. 406, A.L. 2008 H.B. 1710 merged with S.B. 980)

Section 86.1390 - Kansas City Police Retirement System

Contributions to retirement system by cities, amount.

86.1390. The cities specified in sections 86.1310 to 86.1640 shall contribute to the retirement pension system such an amount as may be necessary to pay the pensions as they accrue from year to year, and such additional amounts as may be necessary to maintain the system on a *sound actuarial basis* as determined by the retirement board and certified as provided in section 86.1380.

(L. 2005 H.B. 323)

Section 86.1590 - Kansas City Civilian Police Employees' Retirement System

Cost-of-living adjustments--base pension defined.

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

- (1) Every member who is retired and receiving a base pension from this retirement system; and
- (2) Every surviving spouse who is receiving a base pension from this retirement system.

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

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

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

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

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

4. The cost-of-living adjustment shall be an increase or decrease computed on the base pension amount by the retirement board in an amount that the board, in its discretion, determines to be satisfactory, but in no event shall the adjustment be more than three percent or reduce the pension to an amount less than the base pension. In determining and granting the cost-of-living adjustments, the retirement board shall adopt such rules and regulations as may be necessary to effectuate the purposes of this section, including provisions for the manner of computation of such adjustments and the effective dates thereof. The retirement board shall provide for such adjustments to be determined once each year and granted on a date or dates to be chosen by the board, and may apply such adjustments in full to members who have retired during the year prior to such adjustments but who have not been retired for one full year and to the surviving spouse of a member who has died during the year prior to such adjustments.

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

(L. 2005 H.B. 323)

Section 86.1600 - Kansas City Civilian Police Employees' Retirement System

Supplemental retirement benefit, amount, cost-of-living adjustments--special consultant, compensation--cost-of-living adjustments, rulemaking authority--member defined.

86.1600. 1. Any member who retires subsequent to August 28, 1997, and on or before August 28, 2007, with entitlement to a pension under sections 86.1310 to 86.1640, and any member who retires subsequent to August 28, 2007, with entitlement to a pension under sections 86.1310 to 86.1640 and who either has at least fifteen years of creditable service or is retired under subsection 1 of section 86.1560, shall receive each month, in addition to such member's base pension and cost-of-living adjustments thereto under section 86.1590, and in addition to any other compensation or benefit to which such member may be entitled under sections 86.1310 to

86.1640, a supplemental retirement benefit of fifty dollars per month. The amount of such supplemental retirement benefit may be adjusted by cost-of-living adjustments determined by the retirement board not more frequently than annually.

2. Any member who was retired on or before August 28, 1997, and is receiving retirement benefits from the retirement system shall, upon application to the retirement board, be retained as a consultant, and for such services such member shall receive each month, in addition to such member's base pension and cost-of-living adjustments thereto under section 86.1590, and in addition to any other compensation or benefit to which such member may be entitled under sections 86.1310 to 86.1640, a supplemental compensation in the amount of fifty dollars per month. This appointment as a consultant shall in no way affect any member's eligibility for retirement benefits under the provisions of sections 86.1310 to 86.1640, or in any way have the effect of reducing retirement benefits otherwise payable to such member. The amount of such supplemental compensation under this subsection may be adjusted by cost-of-living adjustments determined by the retirement board not more frequently than annually.

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

4. For purposes of subsections 1 and 2 of this section, the term "member" shall include a surviving spouse who is entitled to a benefit under sections 86.1310 to 86.1640, who shall be deemed to have retired for purposes of this section on the date of retirement of the member of whom such person is the surviving spouse or on the date of death of such member if such member died prior to retirement; provided, that no benefits shall be payable under this section to the surviving spouse of any member who died while in active service after August 28, 2007, unless such death occurred in the line of duty or course of employment or as the result of an injury or illness incurred in the line of duty or course of employment or unless such member had at least fifteen years of creditable service. The surviving spouse of a member who died in service after August 28, 2007, whose death occurred in the line of duty or course of employment or as the result of an injury or illness incurred in the line of duty or course of employment shall be entitled to benefits under subsection 1 of this section without regard to such member's years of creditable service. All benefits payable to a surviving spouse under this section shall be in addition to all other benefits to which such surviving spouse may be entitled under other provisions of sections 86.1310 to 86.1640. Any qualifying surviving spouse of a member who dies while entitled to payments under this section shall succeed to the full amount of payment under this section to which such member was entitled at the time of such member's death, including any cost-of-living adjustments received by such member in the payment under this section prior to such member's death.

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

(L. 2005 H.B. 323, A.L. 2007 S.B. 172 merged with S.B. 406)

Section 87.600 - Kansas City Fire Department

Proposed change in benefits--notice and meeting with representative of members required.

87.600. Whenever any municipality having a population of more than four hundred fifty thousand inhabitants and less than six hundred thousand inhabitants, according to the last federal decennial census, has established a pension plan for the pensioning of the salaried members, and the widows and minor children of deceased members, of an organized fire department, no changes shall be made in the present and future benefits payable to such members or the widows and minor children of deceased members, except changes required to establish and maintain *actuarial soundness* of such pension plan as determined by the actuaries for the system and the members, unless an itemized list of the proposed changes and the reasons therefor is sent by mail to the designated representative of the members at least thirty days before the proposed effective date of such proposed changes and said municipality or its designated representative or representatives shall meet, confer, and discuss such proposed changes with the designated representative of the members.

(L. 1967 p. 167 § 1)

Section 104.612 - Missouri State Employees' Retirement System (MOSERS)

Consultants, extra duty, compensation--benefit increases, limitations--survivors of judges, administrative law judges, and legal advisors to be consultants--limited survivor benefits extended to all members, one-time refund payments made to certain members.

104.612. 1. Each special consultant, not otherwise eligible for a retirement benefit increase pursuant to section 104.415, employed or eligible for employment on or after May 12, 1981, by a board of trustees of a retirement system as provided in subsection 1 of section 104.610 shall, in addition to duties prescribed in section 104.610, and upon request of the board of trustees, give the board, orally or in writing, a short detailed statement on the problems of retirement under the current monthly benefits.

2. As compensation for the extra duty imposed by subsection 1 of this section, each special consultant shall receive, in addition to all other compensation provided by law, a percentage increase in compensation each year, computed upon the total amount which the consultant received in the previous year from state retirement benefits, compensation pursuant to the provisions of section 104.610, and compensation pursuant to the provisions of this section, of eighty percent of the increase in the consumer price index calculated in the manner specified in section 104.415. The increase in compensation for special consultants who have been retired less than one year shall be one-twelfth of the applicable cost-of-living increase for every month or partial month that the member was retired and receiving an annuity. Any such annual increase in compensation, however, shall not exceed five percent, nor be less than four percent, and the total increase in compensation to each special consultant pursuant to the provisions of this subsection shall not exceed sixty-five percent of the total retirement benefits and compensation he or she was receiving immediately prior to October 1, 1986.

3. As compensation for the services described in subsections 1 and 2 of this section, each special consultant shall receive, in addition to all other compensation provided by those subsections, an annual percentage increase in the retirement benefit payable equal to eighty percent of the increase in the consumer price index. Such benefit increase, however, shall not exceed five percent of the retirement benefit payable prior to the increase. The annual benefit increase described in this subsection shall not be effective until the year in which the special consultant reaches the limit on total annual increases provided by subsection 2 of this section. During that year on the anniversary date of the special consultant's retirement, the special consultant shall receive the benefit increase described in subsection 2 of this section or this subsection, whichever is greater. After that year, the special consultant shall receive the annual benefit increase described in this subsection. Any special consultant who reaches the limit on total annual benefit increases provided by subsection 2 prior to October 1, 1996, shall receive the benefit increase described in this subsection on September 1, 1997. Any special consultant who reaches the limit on total annual benefit increases provided by subsection 2 on or after

October 1, 1996, but before September 1, 1997, shall receive the benefit increase described in this subsection beginning on the anniversary date of the special consultant's retirement following September 1, 1997. In no event shall any retroactive annual benefit increases be paid pursuant to this subsection to any special consultant who reached the limit provided in subsection 2 of this section prior to August 28, 1997.

4. The compensation provided for in this section shall be payable in equal monthly installments and shall be consolidated with any retirement benefits and compensation due pursuant to section 104.610 which is payable to the special consultant. The compensation provided for in this section shall be paid from the retirement fund for all members who retire after August 30, 1980. The retirement fund shall be funded on a *sound actuarial basis* for such benefits as prescribed in sections 104.070 and 104.436. Appropriations necessary to achieve a *sound actuarial basis* for the retirement fund shall be made from general revenue or any other fund during the three general assembly sessions next occurring after February 14, 1980. Appropriations to maintain the retirement fund on a continuing *sound actuarial basis* shall be made as necessary in accordance with the provisions of sections 104.070, 104.436 and 104.438. For all members who retire prior to September 1, 1980, the compensation provided for in this section shall be funded as provided in sections 104.070 and 104.436.

5. The compensation provided for in this section shall be treated as any other state retirement benefits, payable by the Missouri state employees' retirement system or the transportation department and highway patrol retirement system are treated and shall not be subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim whatsoever, and shall be unassignable, anything to the contrary notwithstanding.

6. The employment provided for by this section shall in no way affect any person's eligibility for retirement benefits pursuant to this chapter, or in any way have the effect of reducing retirement benefits, anything to the contrary notwithstanding.

7. (1) Any person who is receiving, on or after August 28, 1994, a survivor benefit provided by the provisions of this chapter by virtue of being a survivor of a member, a survivor of a judge as defined in section 476.515, RSMo, or a survivor of an administrative law judge or legal advisor as those terms are defined in section 287.812, RSMo, and who was employed prior to August 28, 1997, shall, upon application, be made, constituted, appointed and employed by the board as a special consultant on the problems of retirement, aging, and other matters relating to survivors of deceased members and upon the request of the appropriate board shall give opinions, in writing or orally, in response to such requests of the board. As compensation for the services required by this subsection, each such special consultant shall receive, in addition to all other compensation provided by law, a percentage increase in compensation each year, computed upon the amount which the special consultant received in the previous year in survivor benefits from the system, of eighty percent of the increase in the consumer price index calculated in the manner specified in section 104.415. Any such increase in compensation, however, shall not exceed five percent, nor be less than four percent;

(2) The total increases in benefits received pursuant to this subsection shall be limited by the following:

(a) In cases of death after retirement where an optional form of payment was elected by the retirant, the total increase shall not exceed sixty-five percent of the survivor benefit which would have been payable based on the option elected and the original benefit amount payable to the retirant;

(b) In cases of death before retirement, the total increase shall not exceed sixty-five percent of the original survivor benefit amount.

8. As compensation for the services described in subsection 7 of this section, each special consultant shall receive, in addition to all other compensation provided by subsection 7 of this section, an annual percentage increase in the survivor benefit payable equal to eighty percent of the increase in the consumer price index. Such benefit increase, however, shall not exceed five percent of the survivor benefit payable prior to the increase. The annual benefit increase described in this subsection shall not be effective until the year in which

the special consultant reaches the limit on total annual increases provided by subsection 7 of this section. During that year on the anniversary date that the special consultant's benefit became payable, the special consultant shall receive the benefit increase described in subsection 7 of this section or this subsection, whichever is greater. After that year, the special consultant shall receive the annual benefit increase described in this subsection. Any special consultant who reaches the limit on total annual benefit increases provided by subsection 7 of this section prior to October 1, 1996, shall receive the benefit increase described in this subsection on September 1, 1997. Any special consultant who reaches the limit on total annual benefit increases provided by subsection 7 of this section on or after October 1, 1996, but before September 1, 1997, shall receive the benefit increase described in this subsection beginning on the anniversary date that the special consultant's benefit became payable following September 1, 1997. In no event shall any retroactive annual benefit increases be paid pursuant to this subsection to any special consultant who reached the limit provided in subsection 7 of this section prior to August 28, 1997.

9. The employment provided for by this subsection shall in no way affect any person's eligibility for retirement or survivor benefits pursuant to the provisions of this chapter, or in any way have the effect of reducing any retirement or survivor benefits, anything to the contrary notwithstanding. An annual increase, if any is due, shall be payable monthly beginning on a date specified by the board. Nothing in this subsection shall be construed to prohibit a special consultant from waiving the right to receive the annual increase provided pursuant to this subsection. However, the waiver may not extend beyond the age permitted by the Tax Equity and Fiscal Responsibility Act (TEFRA). The waiver shall be final as to the annual increase waived.

10. (1) Any member who terminated employment on or after October 1, 1984, who is receiving an annuity on September 1, 1997, and who had elected one of the options providing for a continuing lifetime annuity to a surviving spouse, and who has been made, constituted and appointed by the board as a special consultant on the problems of retirement, aging, and other matters relating to retirement shall be eligible for additional compensation. As additional compensation for such services, each special consultant shall be eligible for the benefits described in this subdivision. The annuity of a special consultant who is receiving benefits under option 1 of section 104.395, shall be reduced in the same manner as an annuity under option 2 of section 104.395, as in effect immediately prior to August 28, 1997. The annuity of a special consultant who is receiving benefits under the provisions of option 2 of section 104.395, as in effect on or after August 13, 1986, but prior to August 28, 1997, shall be determined in the same manner as an annuity under option 2 of section 104.395, as in effect on September 1, 1997. The annuity of a special consultant who is receiving benefits under an annuity that provides for a continuing lifetime annuity to a surviving spouse other than as previously described in this subdivision shall be reduced in a manner approved by the board so as to be consistent with the other continuing lifetime annuities described in this subdivision. Such annuities shall be adjusted for early retirement if applicable. The member's benefit shall include any formula or minimum benefit increases or both, and cost-of-living increases the retired member would have received since the date of retirement had the member's benefit been calculated as described in this subdivision. The member shall also receive a one-time payment in an amount equal to the difference in the amount of retirement benefits that the member received and the amount the member would have received since the date of retirement had the member's benefit been calculated as described in this subdivision.

(2) Any member who terminated employment on or after October 1, 1984, but before August 28, 1997, and who retires after August 28, 1997, may elect at retirement to become a special consultant as provided for in subdivision (1) of this subsection and elect any option provided pursuant to section 104.395, as in effect on August 28, 1997.

(3) Any member who terminated employment on or after October 1, 1984, but retired prior to August 28, 1997, who applied for increased benefits pursuant to the provisions described in subsection 3 or subsection 4 of section 104.395, and whose spouse died prior to September 1, 1997, and who has been made, constituted and appointed by the board as a special consultant on the problems of retirement, aging, and other matters relating to retirement shall be eligible for additional compensation. As additional compensation for such services, such

member shall receive a one-time payment in an amount equal to the difference in the amount of retirement benefits that the member received and the amount the member would have received since the date of retirement had the member's benefit been calculated as described in subdivision (1) of this subsection.

(4) Any member who terminated employment on or after October 1, 1984, but retired before September 1, 1997, and who had elected a normal annuity at retirement, and who is receiving benefits on September 1, 1997, and who has been made, constituted and appointed by the board as a special consultant on the problems of retirement, aging, and other matters relating to retirement shall be eligible for additional compensation. As additional compensation for such services, beginning the first month following the death of the member, the member's surviving spouse who was married to the member of the transportation department and highway patrol retirement system on the date of retirement or the person who was married to the member of the Missouri state employees' retirement system on the date of retirement shall receive monthly an amount equal to fifty percent of the monthly annuity the retired member was receiving at the time of the member's death.

(5) If a member dies on or after September 1, 1997, but prior to receiving any one-time payment described in subdivision (1) of this subsection, payment shall be issued to the surviving spouse who was married to the member at the date of the member's death. If there is no surviving spouse, payment will be issued to the member's estate.

(6) Any member who terminated employment on or after October 1, 1984, retired, became a special consultant on the problems of retirement, aging and other matters relating to retirement or applies to become such a consultant, and whose annuity was not in pay status on September 1, 1997, pursuant to the provisions of section 104.380, shall be eligible for additional compensation. As additional compensation for such services, each special consultant shall be eligible for the benefits described in subdivision (1), (3) or (4) of this subsection depending on the annuity selected by the member at the time of retirement. Any one-time payment that may be due shall be paid upon application for such benefit. Any adjustment to a future annuity shall be made upon application for retirement or survivor benefits.

(7) Any person who received benefits pursuant to subsection 6 of section 104.335 prior to August 28, 1997, may apply to the board to become a special consultant on the problems of retirement, aging, and other matters relating to retirement. As compensation for such services, each special consultant shall be eligible to receive upon making application for such benefits a one-time payment which shall be equal to the difference between the amount of benefits the person received and the amount of benefits the person would have received had the original benefit payment been calculated under the actuarial assumptions in effect on August 28, 1997.

(8) Any person who was married to a member of the Missouri state employees' retirement system at the time the member retired and such member terminated employment on or after October 1, 1984, elected one of the options providing for a continuing lifetime annuity at the time of retirement, and died prior to September 1, 1997, may apply to the board to become a special consultant on the problems of retirement, aging, and other matters relating to retirement. As additional compensation for such services, the survivor benefit of the special consultant shall be recalculated in the manner described in subdivision (1) of this subsection. The special consultant shall also receive a one-time payment in an amount equal to the difference between the amount of retirement and survivor benefits that the retired member and the special consultant received and the amount of retirement and survivor benefits the retired member and the special consultant would have received since the date of retirement had the retired member's and the special consultant's benefits been calculated as described in subdivision (1) of this subsection.

(9) Any person who was married to a member of the Missouri state employees' retirement system at the time the member retired and such member terminated employment on or after October 1, 1984, retired after electing a normal annuity, and died prior to September 1, 1997, may apply to the board to become a special consultant on the problems of retirement, aging, and other matters relating to retirement. As additional compensation for such services, the special consultant shall receive a monthly benefit in an amount equal to fifty percent of the monthly annuity the retired member was receiving at the time of the member's death, including any annual

benefit increases pursuant to subsections 7 and 8 of this section that occurred between the date of the member's death and the date of application. Such benefit shall commence upon application and shall include a one-time payment, if necessary, so that the special consultant shall receive the same amount that would have been paid to the special consultant had such benefit commenced the month following the death of the member.

(10) Any surviving spouse receiving benefits pursuant to the provisions of section 104.420 as the result of the death of a member whose employment terminated on or after October 1, 1984, may apply to the board to become a special consultant on the problems of retirement, aging, and other matters relating to retirement. As compensation for such services, the benefit of each special consultant shall be reduced in the same manner as an annuity under option 1 of section 104.395 as in effect on August 28, 1997. The special consultant shall also receive a one-time payment in an amount equal to the difference between the amount of benefits that the survivor received and the amount of benefits the survivor would have received had the survivor's benefit been originally calculated as described under option 1 of section 104.395 as in effect on August 28, 1997.

(L. 1977 H.B. 253 § 1, A.L. 1980 H.B. 983, A.L. 1981 H.B. 835, et al., A.L. 1984 H.B. 1370, A.L. 1986 H.B. 1496, A.L. 1988 H.B. 1643 & 1399, A.L. 1989 H.B. 674, A.L. 1992 S.B. 499, et al., A.L. 1994 H.B. 1149, A.L. 1997 H.B. 356, A.L. 1999 S.B. 308 & 314)

Section 105.660 - All Public Plans

Definitions, retirement benefit changes.

105.660. The following words and phrases as used in sections 105.660 to 105.685, unless a different meaning is plainly required by the context, shall mean:

- (1) "Actuarial valuation", a mathematical process which determines plan financial condition and plan benefit cost;
- (2) "Actuary", an actuary (i) who is a member of the American Academy of Actuaries or who is an enrolled actuary under the Employee Retirement Income Security Act of 1974 and (ii) who is experienced in retirement plan financing;
- (3) "Board", the governing board or decision-making body of a plan that is authorized by law to administer the plan;
- (4) "Defined benefit plan", a plan providing a definite benefit formula for calculating retirement benefit amounts;
- (5) "Defined contribution plan", a plan in which the contributions are made to an individual retirement account for each employee;
- (6) "Funded ratio", the ratio of the actuarial value of assets over its actuarial accrued liability;
- (7) "Lump sum benefit plan", payment within one taxable year of the entire balance to the participant from a plan;
- (8) "Plan", any retirement system established by the state of Missouri or any political subdivision or instrumentality of the state for the purpose of providing plan benefits for elected or appointed public officials or employees of the state of Missouri or any political subdivision or instrumentality of the state;
- (9) "Plan benefit", the benefit amount payable from a plan together with any supplemental payments from public funds;
- (10) "Substantial proposed change", a proposed change in future plan benefits which would increase or decrease the total contribution percent by at least one-quarter of one percent of active employee payroll, or would

increase or decrease a plan benefit by five percent or more, or would materially affect the actuarial soundness of the plan. In testing for such one-quarter of one percent of payroll contribution increase, the proposed change in plan benefits shall be added to all actual changes in plan benefits since the last date that an actuarial valuation was prepared.

(L. 1979 H.B. 130 § 1, A.L. 2007 S.B. 406)

Section 169.324 - Kansas City Public School Retirement System

Retirement allowances, minimum amounts--retirants may substitute without affecting allowance, limitation--annual determination of ability to provide benefits, standards--action plan for use of minority and women money managers, brokers and investment counselors.

169.324. 1. The annual service retirement allowance payable pursuant to section 169.320 in equal monthly installments for life shall be the retirant's number of years of creditable service multiplied by one and three-fourths percent of the person's average final compensation, subject to a maximum of sixty percent of the person's average final compensation. For any member who retires as an active member on or after June 30, 1999, the annual service retirement allowance payable pursuant to section 169.320 in equal monthly installments for life shall be the retirant's number of years of creditable service multiplied by two percent of the person's average final compensation, subject to a maximum of sixty percent of the person's average final compensation. Any member whose number of years of creditable service is greater than thirty-four and one-quarter on August 28, 1993, shall receive an annual service retirement allowance payable pursuant to section 169.320 in equal monthly installments for life equal to the retirant's number of years of creditable service as of August 28, 1993, multiplied by one and three-fourths percent of the person's average final compensation but shall not receive a greater annual service retirement allowance based on additional years of creditable service after August 28, 1993. Provided, however, that, effective January 1, 1996, any retiree who retired on, before or after January 1, 1996, with at least twenty years of creditable service shall receive at least three hundred dollars each month as a retirement allowance, or the actuarial equivalent thereof if the retiree elected any of the options available under section 169.326. Provided, further, any retiree who retired with at least ten years of creditable service shall receive at least one hundred fifty dollars each month as a retirement allowance, plus fifteen dollars for each additional full year of creditable service greater than ten years but less than twenty years (or the actuarial equivalent thereof if the retiree elected any of the options available under section 169.326). Any beneficiary of a deceased retiree who retired with at least ten years of creditable service and elected one of the options available under section 169.326 shall also be entitled to the actuarial equivalent of the minimum benefit provided by this subsection, determined from the option chosen.

2. Except as otherwise provided in sections 169.331, 169.580 and 169.585, payment of a retirant's retirement allowance will be suspended for any month for which such person receives remuneration from the person's employer or from any other employer in the retirement system established by section 169.280 for the performance of services except any such person other than a person receiving a disability retirement allowance under section 169.322 may serve as a nonregular substitute, part-time or temporary employee for not more than six hundred hours in any school year without becoming a member and without having the person's retirement allowance discontinued. If a retirant is reemployed by any employer in any capacity, whether pursuant to this section, or section 169.331, 169.580, or 169.585, or as a regular employee, the amount of such person's retirement allowance attributable to service prior to the person's first retirement date shall not be changed by the reemployment. If the person again becomes an active member and earns additional creditable service, upon the person's second retirement the person's retirement allowance shall be the sum of:

(1) The retirement allowance the person was receiving at the time the person's retirement allowance was suspended, pursuant to the payment option elected as of the first retirement date, plus the amount of any increase in such retirement allowance the person would have received pursuant to subsection 3 of this section had payments not been suspended during the person's reemployment; and

(2) An additional retirement allowance computed using the benefit formula in effect on the person's second retirement date, the person's creditable service following reemployment, and the person's average annual compensation as of the second retirement date.

The sum calculated pursuant to this subsection shall not exceed the greater of sixty percent of the person's average final compensation as of the second retirement date or the amount determined pursuant to subdivision (1) of this subsection. Compensation earned prior to the person's first retirement date shall be considered in determining the person's average final compensation as of the second retirement date if such compensation would otherwise be included in determining the person's average final compensation.

3. The board of trustees shall determine annually whether the investment return on funds of the system can provide for an increase in benefits for retirants eligible for such increase. A retirant shall and will be eligible for an increase awarded pursuant to this section as of the second January following the date the retirant commenced receiving retirement benefits. Any such increase shall also apply to any monthly joint and survivor retirement allowance payable to such retirant's beneficiaries, regardless of age. The board shall make such determination as follows:

(1) After determination by the actuary of the investment return for the preceding year as of December thirty-first (the "valuation year"), the actuary shall recommend to the board of trustees what portion of the investment return is available to provide such benefits increase, if any, and shall recommend the amount of such benefits increase, if any, to be implemented as of the first day of the thirteenth month following the end of the valuation year, and the first payable on or about the first day of the fourteenth month following the end of the valuation year. The actuary shall make such recommendations so as not to affect the financial soundness of the retirement system, recognizing the following safeguards:

(a) The retirement system's funded ratio as of January first of the year preceding the year of a proposed increase shall be at least one hundred percent after adjusting for the effect of the proposed increase. The funded ratio is the ratio of assets to the pension benefit obligation;

(b) The actuarially required contribution rate, after adjusting for the effect of the proposed increase, may not exceed the statutory contribution rate;

(c) The actuary shall certify to the board of trustees that the proposed increase will not impair the actuarial soundness of the retirement system;

(d) A benefit increase, under this section, once awarded, cannot be reduced in succeeding years;

(2) The board of trustees shall review the actuary's recommendation and report and shall, in their discretion, determine if any increase is prudent and, if so, shall determine the amount of increase to be awarded.

4. This section does not guarantee an annual increase to any retirant.

5. If an inactive member becomes an active member after June 30, 2001, and after a break in service, unless the person earns at least four additional years of creditable service without another break in service, upon retirement the person's retirement allowance shall be calculated separately for each separate period of service ending in a break in service. The retirement allowance shall be the sum of the separate retirement allowances computed for each such period of service using the benefit formula in effect, the person's average final compensation as of the last day of such period of service and the creditable service the person earned during such period of service; provided, however, if the person earns at least four additional years of creditable service without another break in service, all of the person's creditable service prior to and including such service shall be aggregated and, upon retirement, the retirement allowance shall be computed using the benefit formula in effect and the person's average final compensation as of the last day of such period of four or more years and all of the creditable service the person earned prior to and during such period.

6. Notwithstanding anything contained in this section to the contrary, the amount of the annual service retirement allowance payable to any retirant pursuant to the provisions of sections 169.270 to 169.400, including any adjustments made pursuant to subsection 3 of this section, shall at all times comply with the provisions and limitations of Section 415 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, the terms of which are specifically incorporated herein by reference.

7. All retirement systems established by the laws of the state of Missouri shall develop a procurement action plan for utilization of minority and women money managers, brokers and investment counselors. Such retirement systems shall report their progress annually to the joint committee on public employee retirement and the governor's minority advocacy commission.

(L. 1943 p. 787 § 6, A.L. 1945 p. 1342, A.L. 1951 p. 477, A.L. 1957 p. 396 § 169.320, A.L. 1961 p. 369, A.L. 1967 1st Ex. Sess. p. 885, A.L. 1973 H.B. 375, A.L. 1977 S.B. 160, A.L. 1978 H.B. 1503, A.L. 1981 H.B. 530, A.L. 1982 H.B. 1522, A.L. 1989 S.B. 146, A.L. 1990 H.B. 1347, et al., A.L. 1993 S.B. 126, A.L. 1994 S.B. 575, A.L. 1995 S.B. 378, A.L. 1998 H.B. 1299 merged with S.B. 761, A.L. 2001 H.B. 660, A.L. 2004 H.B. 1502 merged with S.B. 1242)

Section 169.471 - St. Louis Public School Retirement System

Board of education authorized to increase retirement benefits, adopt and implement additional plans.

169.471. 1. The board of education is authorized from time to time, in its discretion, to increase the retirement benefits now or hereafter provided pursuant to sections 169.410 to 169.540 and to adopt and implement additional retirement benefits and plans, including without limitation early retirement plans, deferred retirement option plans and cost-of-living adjustments, but excluding compensation to retired members pursuant to section 169.475, and for such purpose the contribution rate of members of the retirement system may be increased to provide part of the cost thereof, subject to the following conditions:

- (1) Any such increase in retirement benefits and additional retirement benefits and plans shall be approved by the board of trustees;
- (2) The board of trustees shall have presented to the board of education the projected increases in rates of contribution which will be required to be made by members and the board of education to the retirement system to pay the cost of such increases in retirement benefits and additional retirement benefits and plans; and
- (3) Any increase in the contribution rate of members of the retirement system shall be approved by the board of trustees and shall be deducted from the compensation of each member by the employing board and transferred and credited to the individual account of each member from whose compensation the deduction was made, and shall be administered in accordance with sections 169.410 to 169.540; provided that, any such increase in the members' contribution rate shall not exceed one-half of one percent of compensation in any year for such increases to retirement benefits and additional retirement benefits and plans adopted during such year by the board of education pursuant to this section, and all such increases in the members' contribution rate shall, in the aggregate, not exceed two percent of compensation.

2. The board of trustees is authorized from time to time, in its discretion, to increase the retirement benefits, now or hereinafter provided under sections 169.410 to 169.540, and to adopt and implement additional retirement benefits for persons who have retired, including cost-of-living adjustments, provided that the board of trustees finds the additional benefit will not require an increase in the contribution rate required by the members, will not increase the contribution required from the board of education, and is ***actuarially sound***. In the event the board of trustees authorizes an increase under this section, it shall certify in writing to the board of education the findings, including but not limited to all actuarial assumptions, upon which the board of trustees determined that the increase in benefits would result in no increase in contributions by members or the board of education.

(L. 1996 S.B. 860, A.L. 2001 H.B. 660, A.L. 2007 S.B. 406)

Section 169.475 - St. Louis Public School Retirement System

Retired member, employment as special advisor, duties, compensation--district to reimburse system, when.

169.475. 1. Any retired member now receiving pension benefits, who served five years or more as an employee of the school district and who retired after June 30, 1957, and prior to January 1, 1971, shall, upon application to the retirement system, be employed by that retirement system as a special school advisor and supervisor. Any person so employed shall perform such duties as the board of trustees directs, and shall receive a salary of five dollars per month for each year of service not to exceed seventy-five dollars per month, payable by the retirement system as part of its administrative costs, but the payment to the retired person for such services, together with the pension benefits the person receives, shall not exceed one hundred fifty dollars per month. The employment provided for by this subsection shall in no way affect any person's eligibility for pension benefits or for employment pursuant to other subsections of this section.

2. Any retired member now receiving pension benefits, who served ten years or more as an employee of the school district and who retired prior to January 1, 1955, shall, upon application to the retirement system be employed by that retirement system as a special school advisor and supervisor. Any person so employed shall perform such duties as the board of trustees directs, and shall receive a salary of two hundred fifty dollars per month payable by the retirement system as part of its administrative costs, but payment to the retired person for such services shall be reduced by the pension benefits the person receives. The employment provided for by this subsection shall in no way affect any person's eligibility for pension benefits or for employment pursuant to other subsections of this section, subject to the limitation set forth in subsection 3 of this section.

3. Any retired member now receiving pension benefits who retired prior to January 1, 1976, shall, upon application to the retirement system, be employed by that retirement system as a school consultant. Any person so employed shall perform such duties as the board of trustees directs, and shall receive a salary equal to four dollars per month for each year (or major portion of a year) between the date of the person's retirement and December 31, 1981, plus two dollars per month for each year (or major portion of a year) between January 1, 1982, and December 31, 1984, and, in addition, shall be entitled to receive the insurance benefits provided retired members pursuant to section 169.476 payable by the retirement system as part of its administrative costs. The employment provided for by this subsection shall in no way affect any person's eligibility for pension benefits or for employment pursuant to other subsections of this section, provided that total salaries payable to any retired member pursuant to subsections 2 and 3 of this section shall not exceed two hundred fifty dollars per month.

4. Any retired member now receiving pension benefits who retired on or after January 1, 1976, and prior to December 31, 1984, shall, upon application to the retirement system, be employed by the retirement system as a school consultant. Any person so employed shall perform such duties as the board of trustees directs and shall receive a salary equal to four dollars per month for each year (or major portion of a year) between the date of the person's retirement and December 31, 1984, and, in addition, shall be entitled to receive the insurance benefits provided retired members pursuant to section 169.476 payable by the retirement system as part of its administrative costs. The employment provided for by this subsection shall in no way affect any person's eligibility for pension benefits or for employment pursuant to other subsections of this section.

5. Any retired member now receiving pension benefits or who retires prior to December 31, 1986, shall, after application to the retirement system, be employed by the retirement system as a school consultant. Any person so employed shall perform such duties as the board of trustees directs and shall receive a salary equal to two dollars per month for each year (or major portion of a year) between the date of the person's retirement and December 31, 1986, payable by the retirement system as part of its administrative costs. The employment provided for by this subsection shall in no way affect any person's eligibility for pension benefits or for

employment pursuant to other subsections of this section.

6. Any retired member now receiving pension benefits or who retires prior to December 31, 1988, shall, after application to the retirement system, be employed by the retirement system as a school consultant. Any person so employed shall perform such duties as the board of trustees directs and shall receive a salary equal to two dollars per month for each year (or major portion of a year) between the date of the person's retirement and December 31, 1988, payable by the retirement system as part of its administrative costs. The employment provided for by this subsection shall in no way affect any person's eligibility for pension benefits or for employment pursuant to other subsections of this section.

7. Any retired member now receiving pension benefits or who retires prior to December 31, 1990, shall, after application to the retirement system, be employed by the retirement system as a school consultant. Any person so employed shall perform such duties as the board of trustees directs and shall receive a salary equal to two dollars per month for each year (or major portion of a year) between the date of the person's retirement and December 31, 1990, not to exceed ten years, payable by the retirement system as part of its administrative costs. The employment provided for by this subsection shall in no way affect any person's eligibility for pension benefits or for employment pursuant to other subsections of this section.

8. Any retired member now receiving pension benefits or who retires prior to December 31, 1993, shall, after application to the retirement system, be employed by the retirement system as a school consultant. Any person so employed shall perform such duties as the board of trustees directs and shall receive a salary equal to three dollars per month for each year (or major portion of a year) between the date of the person's retirement and December 31, 1993, payable by the retirement system as part of its administrative costs. The employment provided by this subsection shall in no way affect any person's eligibility for pension benefits or for employment pursuant to other subsections of this section.

9. Any retired member now receiving pension benefits with fifteen years or more creditable service at retirement, shall, after application to the retirement system, be employed by the retirement system as a consultant. Any person so employed shall, upon the request of the board of trustees, give the board, orally or in writing, a short detailed statement of the problems of retirement under the current monthly benefits. As compensation for the obligation to perform the extra duty imposed by this subsection, each consultant who meets the qualification prescribed in subsection 7 of this section, shall receive, in addition to all other compensation payable pursuant to this section, an increase in compensation each year computed on the total amount which such consultant receives pursuant to this section of one hundred percent of the increase in the consumer price index calculated and payable in the manner specified in section 169.466. A consultant otherwise qualified to receive compensation pursuant to this subsection shall not be eligible to receive such compensation until the January first after he or she has been retired for at least twelve months. Any such annual increase in compensation, however, shall not exceed three percent, and the total increase in compensation pursuant to this subsection shall not exceed ten percent of the total compensation such consultant was receiving pursuant to this section on August 28, 1996. Additional compensation payable pursuant to this subsection shall be payable by the retirement system as part of its administrative costs. The employment provided for in this subsection shall in no way affect any person's eligibility for pension benefits or for employment pursuant to other subsections of this section.

10. Annually, immediately after the close of the fiscal year of the retirement system, the actuary for the system shall determine if the payments made pursuant to the provisions of this section have impaired the actuarial soundness of the plan, and upon the actuary's certification that the soundness has been so impaired, the system shall bill the school district which last employed the retired person on a full-time basis for reimbursement of the amount paid to that person during the preceding fiscal year. The school district shall forthwith accordingly reimburse the retirement system.

11. Effective January 1, 2002, all payments made pursuant to this section shall be paid as cost-of-living benefits rather than as expenses of the retirement system.

(L. 1979 S.B. 392, A.L. 1981 H.B. 33, et al., A.L. 1983 S.B. 3, A.L. 1984 S.B. 407, A.L. 1986 H.B. 1216, A.L. 1988 H.B. 1100, et al., A.L. 1990 H.B. 1347, et al., A.L. 1993 S.B. 148, A.L. 1996 S.B. 860, A.L. 2001 H.B. 660)

Section 169.585 - General Provisions - Teacher & School Employee Retirement Systems

Certain retired teachers to be employed by retirement system as special school advisors and supervisors, when--actuarially unsound, effect of.

169.585. 1. Any retired teacher now receiving retirement benefits, who served five years or more as a teacher in the public schools of this state and who retired after June 30, 1957, and prior to January 1, 1971, under the provisions of this chapter, shall, upon application to the retirement system from which he is receiving retirement benefits be employed by that retirement system as a special school advisor and supervisor. Any person so employed shall perform such duties as the board of trustees of the retirement system of which he becomes an employee directs, and shall receive a salary of five dollars per month for each year of teaching service not to exceed seventy-five dollars per month, payable by the retirement system as part of its administrative costs, but the payment to the retired person for such services, together with the retirement benefits he receives under this chapter, shall not exceed one hundred fifty dollars per month. The employment provided for by this section shall in no way affect any person's eligibility for retirement benefits under this chapter.

2. Annually, immediately after the close of the fiscal year of each teacher retirement system, the actuary for the system shall determine if the payments made pursuant to the provisions of this section have impaired the *actuarial soundness* of the plan, and upon his certification that the *soundness* has been so impaired, the system shall bill each of the school districts which last employed each of these retired persons on a full-time basis for reimbursement of the amount paid to that person during the preceding fiscal year. The school districts shall forthwith accordingly reimburse the appropriate retirement system.

(L. 1972 H.B. 613 § 1)