



*City of
St. Joseph,
Missouri*



Police Pension Plan

(Incorporated Amendments Made Via Ordinances and Updated by City Clerk's office– December, 2010)

**CITY OF ST. JOSEPH, MISSOURI
POLICE PENSION PLAN**

ARTICLE I

ESTABLISHED

There is hereby established the Police Pension Plan, a defined benefit pension plan, for the retirement of Covered Police Employees of the St. Joseph Police Department. All Covered Police Employees shall be required to participate in the Plan, which shall include benefits paid on account of age or disability, upon retirement, disability or death. In order to maintain such benefits, a Police Pension Fund is hereby established and shall be administered by the Police Pension Board of Trustees and maintained as the St. Joseph City Council deems appropriate from public funds appropriated by the City Council, from contributions of Covered Police Employees and from other sources designated by the City Council.

ARTICLE II

DEFINITIONS

- (a) **Accrued Benefits.** The sum of all contributions paid into the Pension Fund by the Covered Police Employee while engaged in Active Service with the Police Department and/or any additional entitlements that result from vesting in the Plan.
- (b) **Active Service.** The regular service of a Covered Police Employee and sick leave and vacation accrued and actually taken as a result of that service, as well as military leave which qualifies under the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. 4301, et seq.) as now enacted, or hereafter amended. It shall exclude periods spent by an otherwise active employee while on any inactive pay status such as lost time, suspension without pay or leave of absence.
- (c) **Actuarial Valuation.** A statistical analysis that determines Plan financial condition and Plan benefit cost and derives a combined employee and employer contribution rate, in accordance with Article V, subsection (b), that can be reasonably expected to result in sufficient Plan assets to pay Plan Benefits when due.
- (d) **Actuary.** An actuary 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 who is experienced in retirement plan financing.
- (e) **Beneficiary.** The Widowed Spouses and/or Children of deceased Covered Police Employees or Retired Members.
- (f) **Board.** The Police Pension Board of Trustees.

- (g) **Child or Children.** The dependent natural or legally adopted Child or Children of a Covered Police Employee or Retired Member, who are unmarried and under the age of eighteen (18).
- (h) **Covered Police Employee.** A person who is employed by the St. Joseph Police Department as a full-time police officer; subject, however, to the eligibility requirements set forth in Article IV herein. Such Covered Police Employee shall be considered a member of this Plan immediately upon his/her date of hire.
- (i) **Employer.** The City of St. Joseph, Missouri.
- (j) **Highest Average Salary.** A Covered Police Employee's average monthly Total Remuneration during any consecutive twelve (12) month period, out of the final one hundred twenty (120) consecutive months of Active Service, which produces the highest monthly average. For this purpose, the Total Remuneration for any month shall be that defined in subparagraph (t) of this Article.
- (k) **Pension Fund.** The City of St. Joseph's Police Pension Fund.
- (l) **Pension List.** The roster of current retirees and eligible beneficiaries.
- (m) **Permanent Disability.** A physical or mental condition that leaves a Covered Police Employee permanently unable to satisfactorily perform his/her duties as a police officer. Each Covered Police Employee shall submit to such examinations as may be deemed necessary by the Board to determine whether the Covered Police Employee has suffered a permanent disability or continues to suffer from a permanent disability.
- (n) **Plan.** The City of St. Joseph, Missouri's Police Pension Plan.
- (o) **Plan Administrator.** The entity or entities designated as the Plan Administrator(s) of the Pension Fund by the Board.
- (p) **Plan Benefits.** The monthly benefit payable to each Covered Police Employee who has qualified for retirement benefits, or his/her Beneficiary.
- (q) **Plan Year.** The annual period beginning July 1 and ending June 30, consistent with the fiscal year of the Employer.
- (r) **Police Department.** The City of St. Joseph, Missouri Police Department.
- (s) **Retired Member.** A person who has become eligible for Plan Benefits and who has petitioned the Board for said benefits.
- (t) **Total Remuneration.** The total amount of salary, wages and overtime pay, and unaccountable benefits such as uniform allowance, currently paid or payable by the Employer to a Covered Police Employee for his/her service. Total Remuneration shall include any amounts contributed by a Covered Police Employee to a cafeteria plan under Internal Revenue Service Code section 125, any amounts contributed by a Covered Police Employee to a deferred compensation plan under Internal Revenue

Service Code section 457, and any benefits paid under Sections 287.170 and 287.180 (RSMo., as amended). Total Remuneration shall not include: (1) any non-recurring single-sum payment that does not reflect actual time served; or (2) Employer contributions to any employee benefit plan or trust. If overtime balances are involved, the payment shall be prorated over the period(s) of time during which the service was actually performed. If compensatory time balances are involved, the payment shall be prorated over the most recent month(s) during which the compensatory time was earned.

- (u) **Widowed Spouse.** A spouse who is legally married to a Covered Police Employee as of the date on which he/she becomes eligible to receive Plan Benefits.
- (v) **Years of Service.** The total years of creditable service, less any suspensions, leave without pay or breaks in service, to a maximum of thirty-five (35) years.

ARTICLE III

BOARD OF TRUSTEES

1. Membership; Terms; Vacancies; Attendance

- (a) The Plan shall be administered by a Board of Trustees. Said Board shall organize and operate in accordance with the Plan and within the limits provided by federal, state and local law.
- (b) The Board shall consist of nine (9) members who shall be the Benefits Manager, City Attorney, City Clerk, Financial Services Director, Police Chief, two delegates at large from the Police Department and two retired delegates from the Pension List. The Board shall select from its members a chairperson, vice-chairperson and secretary at the regularly scheduled July meeting.
 - (i) The chairperson shall be entitled to vote at all meetings.
 - (ii) The vice-chairperson shall fulfill the duties and responsibilities of the chairperson in his/her absence.
 - (iii) The Financial Services Director shall be the treasurer of the Pension Fund and shall be responsible for calculation of new Plan Benefits; said calculations shall be reviewed by the Board.
- (c) The two delegates from the Police Department shall be elected by a simple majority vote of the Covered Police Employees engaged in Active Service during the month of June each year for one (1) year terms.
- (d) The two delegates from the Pension List shall be elected by a simple majority vote of the Retired Members during the month of June each year for one (1) year terms.

- (e) In the event a Covered Police Employee or a Retired Member of the Board resigns from said Board, the remainder of the Board shall appoint another member from that group which has a vacancy. The name of all proposed replacements shall be submitted to the Board by members of the group from which the vacancy occurred. The replacement selected shall serve on the Board until the next election.

2. Meetings; Quorum; Order of Business

- (a) The Board shall meet monthly on the third Wednesday of each month, or at such alternative date as agreed to by a majority of the members of the Board at least two weeks in advance of such regular monthly meeting, at a time and place to be determined by the Board, and may hold such additional meetings as may be required for the transaction of business of the Board.
- (b) A quorum for the transaction of business at any meeting shall be a majority of the members of the Board.
- (c) All procedural conflicts shall be resolved in accordance with *Roberts Rules of Order*, Revised Edition.

3. Conflict of Interest

- (a) Any Board member who has a conflict of interest with regard to a particular issue shall immediately disclose the same and shall be prohibited from participating in any discussion or vote on that issue.
- (b) No member of the Board shall receive any compensation or gratuity for serving on the Board. Acceptance of any compensation or gratuity shall cause forfeiture of said member's office, in addition to any penalties which may result.

4. Powers

The Board shall have the power:

- (a) To invest assets of the Pension Fund as provided in the current investment policy adopted by the Board;
- (b) To borrow money;
- (c) To hold Plan property in cash or investments, without liability, to pay interest in order to meet future cash requirements;
- (d) To provide a copy of the Plan to each Covered Police Employee within ninety (90) days after he/she becomes a member of the Plan. The individual contracted by the Board to perform secretarial duties shall be responsible for ensuring that this task is accomplished;
- (e) To receive, hear and rule upon all claims relative to the Plan;

- (f) To distribute, annually, to each Retired Member a questionnaire regarding his/her status. The Board may withhold payment of Plan Benefits if a completed questionnaire is not returned within ninety (90) days of the date on which it was mailed;
- (g) To engage in litigation;
- (h) To contract with an individual for the purpose of performing secretarial duties;
- (i) To keep minutes of all its meetings, as well as full and complete records of all its receipts, securities and other properties;
- (j) To prepare, or cause to be prepared, a Comprehensive Annual Financial Report in accordance with Section 105.661 RSMo., as amended;
- (k) To appoint a legal advisor, prescribe his/her duties and fix his/her compensation.

5. Denial of Plan Benefits – Notice and Appeal

- (a) The Board shall provide written notice to any Covered Police Employee, Retired Member or Beneficiary whose claim for Plan Benefits has been denied. The Board's notice to the claimant shall set forth:
 - (i) The specific reason(s) for the denial;
 - (ii) Specific references to pertinent Plan provisions on which the Board based the denial;
 - (iii) A description of any additional material or information needed for the claimant to perfect his/her claim and an explanation of why the material or information is needed;
 - (iv) The name of each member of the Board and the name and address of the Board member to whom the claimant may forward his appeal; and
 - (v) That any appeal the claimant wishes to make of the adverse determination must be in writing to the Board within seventy-five (75) days after receipt of the Board's notice of denial of Plan Benefits. The Board's notice must further advise the claimant that his/her failure to appeal the action to the Board in writing within the seventy-five (75) day period will render the Board's determination final, binding and conclusive.
- (b) If the claimant should appeal to the Board, he/she, or his/her duly authorized representative, may submit, in writing, whatever issues and comments he/she, or his/her duly authorized representative, believes are pertinent. The Board shall re-examine all facts related to the appeal and make a final determination as to whether the denial of Plan Benefits is justified under the circumstances. The Board shall advise the claimant of its decision within sixty (60) days of the claimant's written request for review, unless special circumstances (such as a hearing) would make the rendering of a decision within the sixty (60) day limit unfeasible; but in no event

shall the Board render a decision respecting a denial for a claim for Plan Benefits later than one hundred twenty (120) days after its receipt of a request for review.

ARTICLE IV

ELIGIBILITY

- (a) Any person who is thirty-six (36) years of age or older at the time of his/her employment with the Police Department shall not be eligible for benefits under this Plan. Any person who incurs a break in service for a period of twelve (12) months or more and then consequently returns to full-time employment with the Police Department must use his/her most recent date of hire to determine age for purposes of eligibility; however, any person returning to full-time employment with the Police Department with less than a twelve (12) month break in service will use his/her initial date of hire for such purpose.
- (b) A Covered Police Employee shall be vested and eligible for a normal retirement benefit upon having completed twenty (20) years of Active Service, without regard to age.
- (c) A Covered Police Employee who is killed in the line of duty shall receive the greater of 1) the normal retirement benefit or 2) the disability benefit as calculated pursuant to Article VI below. Said amendment to be effective from and after July 1, 1998 (See S.O. 4958).
- (d) A Covered Police Employee who has a Permanent Disability due to Active Service shall be eligible for a disability retirement benefit.
- (e) A Covered Police Employee who has a Permanent Disability due to reasons other than those connected with Active Service shall be eligible for a refund as set forth in Article V, subsection (e).
- (f) At the death of a Covered Police Employee or Retired Member, said employee's Widowed Spouse or Children, if any, shall be eligible for Plan Benefits as set forth in Article VI, section 4.
- (g) Any Covered Police Employee who resigns from the Police Department having served less than twenty (20) years and who received a refund, as outlined in Article V, subsection (e), may buy back his/her service time upon reappointment to the Police Department, provided he/she meets all other eligibility requirements. Payment to the Pension Fund shall be made in full within ninety (90) days from the date of reappointment to the Police Department. Prior service time will be restored upon receipt of contribution repayment.

ARTICLE V
CONTRIBUTIONS

- (a) The Employer contribution shall be based on the rate calculated annually by an Actuary selected by the Board and shall be adopted by the St. Joseph City Council.
- (b) The Covered Police Employee shall contribute four percent (4%) of his/her Total Remuneration, if recommended by the Board; subject, however, to adjustment by legislative action of the City Council
- (c) Contributions made on behalf of the Covered Police Employee shall be deposited in the Pension Fund after each payroll cycle.
- (d) All monies, fees, gifts and endowments that are received by the Police Department, or any member thereof, shall be paid into the Pension Fund. The Board, on behalf of the Pension Fund, may accept by gift, grant, devise or bequest, any money, real estate, personal property or other valuable things. Non-liquid assets shall be converted to cash and the proceeds shall be deposited in the Pension Fund.
- (e) In the event of resignation or dismissal, any Covered Police Employee who has served less than twenty (20) years shall receive a one hundred percent (100%) refund from the Pension Fund of his/her contributions made pursuant to Paragraph (b) of this Article V above. No refund shall be made if the Covered Police Employee is eligible for Plan Benefits. Said amendment to be effective from and after July 1, 1999, pending an actuarial determination of the cost impact to the Plan (See S.O. 4958).

ARTICLE VI
DISTRIBUTION

1. Normal Retirement

- (a) Any Covered Police Employee who has served twenty (20) years, of which the last three (3) years shall have been continuous, may apply for Plan Benefits. In such event, the Board shall approve a Plan Benefit equal to forty percent (40%) of the Highest Average Salary.
- (b) Any Covered Police Employee who remains on Active Service and continues to make regular payments into the Pension Fund for a period of more than twenty (20) years, shall, upon subsequent retirement, be eligible for additional credit. The additional credit shall be two percent (2%) for each twelve (12) month period beyond twenty (20) years, prorated monthly, not to exceed fifteen (15) additional twelve (12) month periods.
- (c) Any Covered Police Employee who is removed, suspended or discharged from the Police Department shall receive Plan Benefits in accordance with Article V, subsection (e), or Article VI, subsections (a) through (d), as appropriate.

- (d) All Covered Police Employees who retire after January 1, 1980, shall have Fifty Dollars (\$50) added to their Plan Benefit.
- (e) An annual cost of living increase shall be provided so long as there is a positive increase in the Consumer Price Index. Such annual cost of living increase shall be calculated at one-half of the rate of change in the Consumer Price Index, October CPI-W, not to exceed four percent (4%). The increase shall become effective on January 1st of the following year.
- (f) The annual retirement benefits payable pursuant to this Article VI shall not exceed the limits imposed by Section 415 of the Internal Revenue Code, such limits being incorporated herein by this reference.

2. Disability Retirement

- (a) If a covered Police Employee, while on Active Service, is determined by a medical officer to suffer from a Permanent Disability, thereby making retirement necessary, the Board may authorize a monthly payment equal to fifty percent (50%) of the Highest Average Salary. In the event the disabled Covered Police Employee has served less than one (1) year, the Board may authorize a monthly payment equal to fifty percent (50%) of his/her monthly earnings as of the date the disability occurred.
- (b) If a Covered Police Employee, while not on Active Service, is determined by a medical officer to suffer from a Permanent Disability, thereby making retirement necessary, the Board may authorize a refund in the amount he/she would be entitled to receive under Article V, subsection (e).
- (c) If the Board disagrees with the results of the medical examination submitted by the Covered Police Employee under subsections (a) or (b) above, the Covered Police Employee shall be required to obtain a second opinion from a medical officer chosen by the Board upon written request of the Board. The Board shall pay all reasonable costs associated with the second opinion.
- (d) An opinion may be obtained from a third medical officer, jointly selected, should the two preceding opinions conflict. The Board shall pay all reasonable costs associated with the third opinion.

3. Reinstatement from Retired Status

- (a) In the event a Retired Member is allowed to return to employment as a full-time commissioned police officer, with one (1) year or more break in service, his/her Plan Benefits shall be suspended and no additional service credit shall accrue. Upon subsequent retirement, Plan Benefits shall be reinstated at the rate in effect on the date of his/her original retirement.
- (b) In the event a Retired Member is allowed to return to employment as a full-time commissioned police officer, with less than one (1) year break in service, his/her Plan Benefits shall be suspended. Additional service credit shall resume to accrue and future Plan Benefits shall be calculated under Plan rules in existence at the time he/she subsequently retires.

- (c) With regard to the provisions set forth above in subsections (a) and (b), in no event shall service credit be awarded during any break in service.
- (d) The term “break in service,” as applied to this paragraph 3 of Article VI, shall refer to a period not to exceed three-hundred sixty-five (365) consecutive days. Said amendment to be effective from and after December 1, 1998 (See S.O. 4958).

4. Survivor Benefits

- (a) When a Covered Police Employee dies and leaves a Widowed Spouse, the Board shall approve a monthly payment equal to one-half the monthly Plan Benefit that the Covered Police Employee would have received had he/she been retired on the date of his/her death, or the monthly sum of Five-Hundred Dollars (\$500), whichever is greater. The monthly Plan Benefit is payable as long as the Widowed Spouse remains unmarried; provided, however, that if the Widowed Spouse of any Covered Police Employee who is killed in the line of duty remarries, the Widowed Spouse shall continue to receive benefits until such time as the Covered Police Employee would have attained twenty-five (25) years of service.
- (b) When a Retired Member dies and leaves a Widowed Spouse, the Board shall approve a monthly payment equal to one-half the monthly Plan Benefit that the Retired Member was receiving on the date of his/her death, or the monthly sum of Five Hundred Dollars (\$500), whichever is greater. The monthly Plan Benefit is payable as long as the Widowed Spouse remains unmarried.
- (c) Plan Benefits shall be payable to a Widowed Spouse under subsection (b) above, only if the Widowed Spouse was married to a Retired Member prior to the date of his/her retirement.
- (d) All Children, where there is a surviving Widowed Spouse, shall receive One Hundred Dollars (\$100) each month until they attain the age of eighteen (18), or are otherwise emancipated by law. Individual entitlement shall cease on the first day of the month following such qualifying event. Children receiving the One Hundred Dollars (\$100) referenced above are not eligible for the annual cost of living increase.
- (e) In the event a deceased Covered Police Employee or Retired Member has no Widowed Spouse, or was legally divorced, his/her Child or Children shall receive a sum equal to one-half the Plan Benefit, that the deceased Covered Police Employee would have received or that the Retired Member was receiving, on the date of his/her death. The payable Plan Benefit shall be divided equally among qualified Children, and shall terminate as provided in subsection (d).
- (f) In the event a Widowed Spouse who has been receiving Plan Benefits dies, the Child or Children shall receive Plan Benefits as set forth above in subsection (e).
- (g) In the event a Covered Police Employee or Retired Member dies before he/she has received in Plan Benefits an aggregate amount equal to the full amount of his/her contribution, and there are no surviving Beneficiaries, the balance shall be paid to his/her estate.

5. Funeral Expenses

Whenever a Covered Police Employee or Retired Member dies, the Board may appropriate a sum not to exceed Two Thousand Dollars (\$2,000.00) to his/her Widowed Spouse or legal heirs for funeral expenses.

6. Notice Requirements

- (a) This Plan does not require the Board to search for, or ascertain, the whereabouts of any Covered Police Employee, Retired Member or Beneficiary. The Board, by certified or registered mail to the last known address of record, shall notify any Covered Police Employee, Retired Member or Beneficiary that he/she is entitled to a Plan Benefit. In the event a Covered Police Employee, Retired Member or Beneficiary makes a rightful demand for unclaimed Plan Benefits, they shall be paid in accordance with this Plan.
- (b) In the event Plan Benefits are tendered to a Covered Police Employee, Retired Member or Beneficiary and such person refuses to accept such benefits, they shall be forfeited and shall become assets of the Pension Fund. Written notice shall be given to such Covered Police Employee, Retired Member or Beneficiary, by U.S. Mail, Certificate of Mailing, to their last known address, acknowledging refusal of acceptance of such benefits and giving notice that such benefits shall become assets of the Pension Fund thirty (30) days from the date of the notice unless written request is received prior to such date accepting such benefits.
- (c) Covered Police Employees and Retired Members shall keep the Board informed of their correct address, marital status, ages of children and all other matters relevant to their right to receive Plan Benefits.
- (d) The Board may, at its discretion, suspend Plan Benefits of Covered Police Employees or Retired Members who fail to comply with this Article VI, section 6.

ARTICLE VII

MISCELLANEOUS

1. Beneficiary Designation

Each covered Police Employee shall execute and deliver to the Secretary of the Board, on a form prescribed for such purpose, written designation of a Beneficiary(ies) to receive the Covered Police Employee's Plan Benefits in the event such distribution of Plan Benefits to a Beneficiary(ies) becomes necessary. A change in Beneficiary(ies) may be made by a Covered Police Employee or Retired Member in the same manner as an original Beneficiary(ies) designation is made.

2. Compliance with Applicable Laws

The Board shall interpret and administer the Plan in such manner that the Plan shall remain in compliance with Internal Revenue Service Code sections 401 and 501 and all other applicable laws, regulations and rulings.

3. Construction of Plan

This Plan shall be construed according to the laws of the State of Missouri and all provisions thereof shall be administered according to the laws of said state.

4. Consulting Fees

Any person who on September 28, 1973, was receiving Plan Benefits under provisions of Articles I through VI may apply to the Board and be appointed as a special consultant. Special consultants may be asked to provide opinions on the problems of retirement, aging and other retirement system matters and shall be compensated monthly in an amount not to exceed fifteen percent (15%) of his/her monthly Plan Benefits payable under the provisions of the Plan.

5. Covenant to Perform Further Acts

All parties to, or claiming any interest under, this Plan agree to perform any and all acts and to execute any and all documents, which are necessary for carrying out this Plan.

6. False Statements

Any person who knowingly or willfully makes any false statement or representation for the purpose of securing Plan Benefits, or who falsifies, causes or permits to be falsified any record(s) of this Plan in any attempt to defraud, shall have committed a misdemeanor and, upon conviction thereof, shall be punished as determined by an appropriate court of law and all his/her rights, interest, and privileges under, and by virtue of this Plan, shall be forfeited.

7. Indemnity

The Employer hereby agrees to assume liability for, and does hereby indemnify, protect, save and hold harmless each member of the Board, and their respective successors and assigns, from and against any and all liabilities, obligations, losses, expenses, damages, penalties, taxes, claims, actions, suits, costs or disbursements (including legal fees and expenses) of any kind and nature whatsoever, which may be imposed on, incurred by or asserted against such member(s) (whether or not such member(s) is also indemnified by any other person), which in any way relate to, or arise out of, this Plan, or the administration of the Plan or Pension Fund, or the action or inaction of such member(s) hereunder, except only in the case of willful misconduct or gross negligence on the part of such member(s) in the performance of his/her duties.

8. Insufficient Funds

If, at any time, Pension Fund assets are insufficient to pay all Plan Benefits in full, as herein provided, the assets available for payment shall be prorated.

9. Legally Incompetent

Each Covered Police Employee, Retired Member or Beneficiary receiving or claiming a Plan Benefit shall be presumed to be mentally competent and of age until the Board receives a written medical opinion that such person is a minor or incompetent. Plan Benefits otherwise due a minor shall be paid to the custodial parent. Plan Benefits otherwise due a minor or incompetent person shall be paid to the guardian, conservator or other legal representative. In the event that the Board is unable to locate a custodial parent, guardian, conservator or other legal representative of a minor or incompetent person who is otherwise entitled to Plan Benefits, such benefits shall be paid to the individual designated by law to assume financial responsibility for the care of such person.

10. Not a Contract of Employment

This Plan shall not be deemed to constitute a contract between the Employer and any Covered Police Employee, nor shall anything in this Plan be deemed to give any Covered Police Employee a right to be retained by the Employer or to interfere with the right of the Employer to discharge said employee.

11. Service on Active Duty with the Armed Forces

Any Covered Police Employee who is reinstated on the Police Department after serving voluntarily or involuntarily on active duty with the Armed Forces shall be credited for such service upon payment of any employee contributions which would have otherwise been paid had the Covered Police Employee remained continuously employed.

12. Severability

In case any provisions of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts, but this Plan shall be construed and enforced as if the illegal or invalid provisions had never been inserted.

13. Spendthrift Clause

Plan Benefits paid to a Covered Police Employee, Retired Member or Beneficiary shall not be subject to any claim, legal process or creditor. All contributions made by, or on behalf of, a Covered Police Employee during his/her marriage are considered marital property in the State of Missouri.

14. Terms Binding upon Parties in Interest

The terms of the Plan shall be binding upon the heirs, personal representatives, administrators, successors and assigns of all parties in interest.