

SECOND REGULAR SESSION

# HOUSE BILL NO. 2669

## 100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BLACK (7).

5680H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To repeal sections 86.200, 86.247, 86.250, 86.251, 86.253, 86.254, 86.257, 86.263, 86.267, 86.277, 86.283, 86.288, 86.290, 86.320, 86.330, 86.333, 86.337, and 86.354, RSMo, and to enact in lieu thereof eighteen new sections relating to retirement benefits for police officers.

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

Section A. Sections 86.200, 86.247, 86.250, 86.251, 86.253, 86.254, 86.257, 86.263, 86.267, 86.277, 86.283, 86.288, 86.290, 86.320, 86.330, 86.333, 86.337, and 86.354, RSMo, are repealed and eighteen new sections enacted in lieu thereof, to be known as sections 86.200, 86.247, 86.250, 86.251, 86.253, 86.254, 86.257, 86.263, 86.267, 86.277, 86.283, 86.288, 86.290, 86.320, 86.330, 86.333, 86.337, and 86.354, to read as follows:

86.200. The following words and phrases as used in sections 86.200 to 86.366, unless a different meaning is plainly required by the context, shall have the following meanings:

(1) "Accumulated contributions", the sum of all mandatory contributions deducted from the compensation of a member and credited to the member's individual account, together with members' interest thereon;

(2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of mortality tables and interest assumptions adopted by the board of trustees;

(3) "Average final compensation":

(a) ~~[With respect to a member who earns no creditable service on or after October 1, 2001, the average earnable compensation of the member during the member's last three years of creditable service as a police officer, or if the member has had less than three years of creditable service, the average earnable compensation of the member's entire period of creditable service;~~

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

13 ~~——(b)]~~ With respect to a member **who commenced employment before October 1, 2020**,  
14 who is not participating in the DROP pursuant to section 86.251 on October 1, 2001, who did  
15 not participate in the DROP at any time before such date, and who earns any creditable service  
16 on or after October 1, 2001, the average earnable compensation of the member during the  
17 member's last two years of creditable service as a policeman, or if the member has had less than  
18 two years of creditable service, then the average earnable compensation of the member's entire  
19 period of creditable service; **provided, however, that with respect to a member who**  
20 **commenced employment on or after October 1, 2020, who is not participating in the DROP**  
21 **under section 86.251, who did not participate in the DROP at any time before such date,**  
22 **and who earns any creditable service on or after October 1, 2020, the "average final**  
23 **compensation" means the average earnable compensation of the member during the**  
24 **member's last three years of creditable service as a police officer or, if the member has had**  
25 **less than three years of creditable service, the average earnable compensation of the**  
26 **member's entire period of creditable service;**

27 ~~[(c) With respect to a member who is participating in the DROP pursuant to section~~  
28 ~~86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns~~  
29 ~~to active participation in the system pursuant to section 86.251, and who terminates employment~~  
30 ~~as a police officer for reasons other than death or disability before earning at least two years of~~  
31 ~~creditable service after such return, the portion of the member's benefit attributable to creditable~~  
32 ~~service earned before DROP entry shall be determined using average final compensation as~~  
33 ~~defined in paragraph (a) of this subdivision, and the portion of the member's benefit attributable~~  
34 ~~to creditable service earned after return to active participation in the system shall be determined~~  
35 ~~using average final compensation as defined in paragraph (b) of this subdivision;~~

36 ~~——(d)]~~ **(b)** With respect to a member **who commenced employment before October 1,**  
37 **2020**, who is participating in the DROP pursuant to section 86.251 ~~[on] before~~ October 1, ~~[2001]~~  
38 **2020**, or whose participation in the DROP ended before such date, who returns to active  
39 participation in the system pursuant to section 86.251, and who terminates employment as a  
40 police officer after earning at least two years of creditable service after such return, the member's  
41 benefit attributable to all of such member's creditable service shall be determined using the  
42 member's average final compensation as defined in paragraph ~~[(b)]~~ **(a)** of this subdivision;  
43 **provided, however, that with respect to a member who commenced employment for the**  
44 **first time on or after October 1, 2020, who is participating in the DROP, regardless of the**  
45 **period of time such member has participated in the DROP, under section 86.251, and who**  
46 **shall terminate employment as a police officer and actually retire:**

47 **a. At the end of the five-year DROP period; or**

48           **b. At the time such member elects to withdraw from participation in the DROP,**  
49 **regardless of the period of time such member participated in the DROP,**  
50  
51 **the portion of the member's benefit attributable to creditable service earned before DROP**  
52 **entry shall be determined using average final compensation as defined in paragraph (a) of**  
53 **this subdivision;**

54           ~~[(c) With respect to a member who is participating in the DROP pursuant to section~~  
55 ~~86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns~~  
56 ~~to active participation in the system pursuant to section 86.251, and whose employment as a~~  
57 ~~police officer terminates due to death or disability after such return, the member's benefit~~  
58 ~~attributable to all of such member's creditable service shall be determined using the member's~~  
59 ~~average final compensation as defined in paragraph (b) of this subdivision;]~~ and

60           ~~[(f)]~~ (c) With respect to the surviving spouse or surviving dependent child of a member  
61 who earns any creditable service on or after October 1, 2001, the average earnable compensation  
62 of the member during the member's last two years of creditable service as a police officer or, if  
63 the member has had less than two years of creditable service, the average earnable compensation  
64 of the member's entire period of creditable service; **provided, however, that with respect to**  
65 **a member who commenced employment for the first time on or after October 1, 2020, the**  
66 **"average final compensation" for purposes of this paragraph means the average earnable**  
67 **compensation of the member during the member's last three years of creditable service as**  
68 **a police officer or, if the member has had less than three years of creditable service, the**  
69 **average earnable compensation of the member's entire period of creditable service;**

70           (4) "Beneficiary", any person in receipt of a retirement allowance or other benefit;

71           (5) "Board of trustees", the board provided in sections 86.200 to 86.366 to administer  
72 the retirement system;

73           (6) "Creditable service", prior service plus membership service as provided in sections  
74 86.200 to 86.366;

75           (7) "DROP", the deferred retirement option plan provided for in section 86.251;

76           (8) "Earnable compensation", the annual salary established under section 84.160 which  
77 a member would earn during one year on the basis of the member's rank or position plus any  
78 additional compensation for academic work and shift differential that may be provided by any  
79 official or board now or hereafter authorized by law to employ and manage a permanent police  
80 force in such cities. Such amount shall include the member's deferrals to a deferred  
81 compensation plan pursuant to Section 457 of the Internal Revenue Code or to a cafeteria plan  
82 pursuant to Section 125 of the Internal Revenue Code or, effective October 1, 2001, to a  
83 transportation fringe benefit program pursuant to Section 132(f)(4) of the Internal Revenue Code.

84 Earnable compensation shall not include a member's additional compensation for overtime,  
85 standby time, court time, nonuniform time or unused vacation time. Notwithstanding the  
86 foregoing, the earnable compensation taken into account under the plan established pursuant to  
87 sections 86.200 to 86.366 with respect to a member who is a noneligible participant, as defined  
88 in this subdivision, for any plan year beginning on or after October 1, 1996, shall not exceed the  
89 amount of compensation that may be taken into account under Section 401(a)(17) of the Internal  
90 Revenue Code, as adjusted for increases in the cost of living, for such plan year. For purposes  
91 of this subdivision, a "noneligible participant" is an individual who first becomes a member on  
92 or after the first day of the first plan year beginning after the earlier of:

93 (a) The last day of the plan year that includes August 28, 1995; or

94 (b) December 31, 1995;

95 (9) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as amended;

96 (10) "Mandatory contributions", the contributions required to be deducted from the  
97 salary of each member who is not participating in DROP in accordance with section 86.320;

98 (11) "Medical board", the health care organization appointed by the trustees of the police  
99 retirement board and responsible for arranging and passing upon all medical examinations  
100 required under the provisions of sections 86.200 to 86.366, which shall investigate all essential  
101 statements and certificates made by or on behalf of a member in connection with an application  
102 for disability retirement and shall report in writing to the board of trustees its conclusions and  
103 recommendations;

104 (12) "Member", a member of the retirement system as defined by sections 86.200 to  
105 86.366;

106 (13) "Members' interest", interest on accumulated contributions at such rate as may be  
107 set from time to time by the board of trustees;

108 (14) "Membership service", service as a policeman rendered since last becoming a  
109 member, except in the case of a member who has served in the Armed Forces of the United  
110 States and has subsequently been reinstated as a policeman, in which case "membership service"  
111 means service as a policeman rendered since last becoming a member prior to entering such  
112 armed service;

113 (15) "Plan year" or "limitation year", the twelve consecutive-month period beginning  
114 each October first and ending each September thirtieth;

115 (16) "Policeman" or "police officer", any member of the police force of such cities who  
116 holds a rank in such police force;

117 (17) "Prior service", all service as a policeman rendered prior to the date the system  
118 becomes operative or prior to membership service which is creditable in accordance with the  
119 provisions of sections 86.200 to 86.366;

120 (18) "Reserve officer", any member of the police reserve force of such cities, armed or  
121 unarmed, who works less than full time, without compensation, and who, by his or her assigned  
122 function or as implied by his or her uniform, performs duties associated with those of a police  
123 officer and who currently receives a service retirement as provided by sections 86.200 to 86.366;

124 (19) "Retirement allowance", annual payments for life as provided by sections 86.200  
125 to 86.366 which shall be payable in equal monthly installments or any benefits in lieu thereof  
126 granted to a member upon termination of employment as a police officer and actual retirement;

127 (20) "Retirement system", the police retirement system of the cities as defined in sections  
128 86.200 to 86.366;

129 (21) "Surviving spouse", the surviving spouse of a member who was the member's  
130 spouse at the time of the member's death.

86.247. On the basis of such tables as the board of trustees shall adopt, the actuary shall  
2 make an annual valuation of the assets and liabilities of the system created by sections 86.200  
3 to 86.366. **The actuary may use the entry age normal actuarial cost method subject to the**  
4 **approval of the board of trustees of the police retirement system by rule or ordinance.**

86.250. Retirement of a member on a service retirement allowance shall be made by the  
2 board of trustees as follows:

3 ~~[(1)]~~ Any member **who commenced employment before October 1, 2020**, may  
4 terminate employment as a police officer and actually retire after completing twenty or more  
5 years of creditable service or attaining the age of fifty-five upon the member's written application  
6 to the board of trustees setting forth at what time, but not more than ninety days subsequent to  
7 the execution and filing of the application, the member desires to be retired[;]

8 ~~— (2) Any member in service who has attained the age of sixty-five shall be terminated as~~  
9 ~~a police officer and actually retired forthwith provided that upon request of the chief of police~~  
10 ~~the board of trustees may permit such member to remain in service for periods of not to exceed~~  
11 ~~one year from the date of the last request from the chief of police].~~ Any member who  
12 **commenced employment for the first time on or after October 1, 2020**, may terminate  
13 **employment as a police officer and actually retire after completing ten or more years of**  
14 **creditable service and attaining fifty-five years of age upon the member's written**  
15 **application to the board of trustees setting forth at what time, but no more than ninety**  
16 **days subsequent to the execution and filing of the application, the member desires to be**  
17 **retired; provided, however, that any member who commenced employment for the first**  
18 **time on or after October 1, 2020, may enter the DROP at any time after completing twenty**  
19 **years of creditable service. Any member who commenced employment for the first time**  
20 **on or after October 1, 2020, who terminates employment before fifty-five years of age shall**

21 **not be eligible to receive a retirement allowance until he or she reaches fifty-five years of**  
22 **age.**

86.251. 1. The board of trustees may develop and establish a deferred retirement option  
2 plan (DROP) in which members who are eligible for retirement but who have not terminated  
3 employment as police officers and who have not actually retired may participate. The DROP  
4 shall be designed to allow members with at least twenty years of creditable service or who have  
5 attained the age of fifty-five who have achieved eligibility for retirement and are entitled to a  
6 service retirement allowance and other benefits to postpone actual retirement, continue active  
7 employment and accumulate a deferred receipt of the service retirement allowance. No one shall  
8 participate in the DROP for a period exceeding five years.

9 2. Any member who has at least twenty years of creditable service or has attained the age  
10 of fifty-five may elect in writing before retirement to participate in the DROP. A member  
11 electing to participate in the DROP shall postpone actual retirement, shall continue in active  
12 employment and shall not receive any direct retirement allowance payments or benefits during  
13 the period of participation.

14 3. Upon the start of the participation in the DROP, the member shall cease to make any  
15 mandatory contributions to the system. No contribution shall be required by the city into the  
16 DROP account. During the period of participation in the DROP, the amount that the member  
17 would have received as a service retirement allowance if the member had actually retired instead  
18 of entering DROP shall be deposited monthly in the member's DROP account which shall be  
19 established in the member's name by the board of trustees. The member's service retirement  
20 allowance shall not be adjusted for any cost-of-living increases for any period prior to the  
21 member's termination of employment as a police officer and actual retirement. Cost-of-living  
22 increases, if any, for any period following the member's termination of employment as a police  
23 officer and actual retirement shall be applied only to monthly service retirement payments made  
24 following termination of employment as a police officer and actual retirement. Service earned  
25 during the period of participation in the DROP shall not be creditable service and shall not be  
26 counted in determination of any service retirement allowance or surviving spouse's or  
27 dependents' benefits. Compensation paid during the period of participation in the DROP shall  
28 not be earnable compensation and shall not be counted in the determination of any service  
29 retirement allowance or surviving spouse's or dependent's benefits. The member's service  
30 retirement allowance shall be frozen as of the date the member enters DROP. Except as  
31 specifically provided in sections 86.200 to 86.366, the member's frozen service retirement  
32 allowance shall not increase while the member is participating in DROP or after the member's  
33 participation in DROP ends, and the member shall not share in any benefit improvement that is  
34 enacted or that becomes effective while such member is participating in the DROP.

35           4. A member shall cease participation in the DROP upon the termination of the member's  
36 employment as a police officer and actual retirement, or at the end of the five-year period  
37 commencing on the first day of the member's participation in the DROP, or as of the effective  
38 date of the member's election to return to active participation in the system, whichever occurs  
39 first. A member's election to return to active participation in the system before the end of the  
40 five-year period commencing on the first day of participation in the DROP shall be made and  
41 shall become effective in accordance with procedures established by the board of trustees. Upon  
42 the member's termination of employment as a police officer and actual retirement, the member  
43 shall elect to receive the value of the member's DROP account, in one of the following forms of  
44 payment:

- 45           (1) A lump sum payment; or  
46           (2) Equal monthly installments over a ten-year period.

47

48 Either form of payment should begin within thirty days after the member's notice to the board  
49 of trustees that the member has selected a particular option.

50           5. If a member who is participating in the DROP elects to return to active participation  
51 in the system or if a member who is participating in the DROP does not terminate employment  
52 and actually retires as a police officer in the city for which the retirement system was established  
53 pursuant to sections 86.200 to 86.366 at the end of the five-year period commencing on the first  
54 day of the member's participation in the DROP, the member shall return to active participation  
55 in the system and shall resume making mandatory contributions to the system effective as of the  
56 day after participation in the DROP ends. The board of trustees shall notify the chief of police  
57 to begin deducting mandatory contributions from the member's salary and the member's  
58 employment period shall count as creditable service beginning as of the day the member returns  
59 to active participation.

60           6. In no event shall a member, **including, but not limited to, any member who**  
61 **commenced employment for the first time on or after October 1, 2020**, whose participation  
62 in DROP has ended for any reason be eligible to participate in DROP again.

63           7. Upon the member's termination of employment as a police officer and actual  
64 retirement, the member's mandatory contributions to the retirement system shall be paid to the  
65 member pursuant to subsection 4 of section 86.253.

66           8. If a member dies prior to termination of employment as a police officer and actual  
67 retirement while participating in the DROP or before the member has received full withdrawal  
68 of the amount in the member's DROP account under the installment optional payment form, the  
69 remaining balance of the member's DROP account shall be payable to the member's surviving  
70 spouse; or, if the member is then unmarried, to the member's dependent children in equal shares;

71 or, if none, to the member's dependent mother or father; or, if none, to the member's designated  
72 beneficiary or, if no such beneficiary is then living, to the member's estate. Payment shall be  
73 made in a lump sum within sixty days after receipt by the board of trustees of evidence and proof  
74 of the death of a member. In addition, the member's mandatory contributions, if any, that were  
75 not already paid to the member pursuant to subsection 4 of section 86.253 shall be paid to the  
76 member's surviving spouse pursuant to section 86.288.

77 9. If a member applies for and receives benefits for an accidental disability retirement  
78 allowance pursuant to the provisions of section 86.263, the member shall forfeit all rights, claims  
79 or interest in the member's DROP account and the member's benefits shall be calculated as if the  
80 member has continued in employment and had not elected to participate in the DROP. Any  
81 portion of a DROP account that has been forfeited as provided in this subsection shall be a  
82 general asset of the system.

83 10. ~~[A member's]~~ **The DROP account of a member who commenced employment**  
84 **before October 1, 2020**, shall earn interest equal to the rate of return earned by the system's  
85 investment portfolio on a market value basis, including realized and unrealized gains and losses,  
86 net of investment expense, as certified by the system's actuary. As of the last day of each plan  
87 year beginning after DROP participation begins, the member's DROP account balance,  
88 determined as of the last day of the prior plan year, shall be credited with interest at the  
89 investment rate earned by the assets of the retirement system for such prior plan year. If  
90 distribution of the member's DROP account balance is made in a lump sum under subsection 4  
91 or 8 of this section, interest for the plan year of distribution shall be credited on the ending  
92 balance for the prior plan year at the investment rate earned on the assets of the retirement system  
93 for the prior plan year, in proportion to the part of the plan year preceding the date of the  
94 member's termination of employment or death, whichever is earlier. If the member's DROP  
95 account is paid in equal monthly installments pursuant to subsection 4 of this section, interest  
96 during the installment period shall be credited as of the last day of each plan year ending after  
97 installment payment begins on the account balance as of the first or last day of the plan year,  
98 whichever is lower, at the investment rate earned by the assets of the system for the prior plan  
99 year. Interest for the year in which the final installment is paid shall be credited on the balance  
100 remaining after the final installment is paid, at the investment rate earned on the assets of the  
101 system for the prior plan year, in proportion to the part of the plan year preceding payment of the  
102 final installment. Any interest credited to the DROP account during the installment period shall  
103 be paid as soon as reasonably possible after the final monthly installment. No interest shall be  
104 credited on amounts, if any, added to the member's DROP account during the year in which the  
105 distribution of the account is completed. **Any member who commenced employment for the**  
106 **first time on or after October 1, 2020, shall earn interest for all purposes for which interest**

107 **is allowed at the rate of return earned by the ten-year United States Treasury note as of**  
108 **September thirtieth each year plus one percent, not to exceed a rate of six percent per**  
109 **annum.**

110 11. The board of trustees shall not incur any liability individually or on behalf of other  
111 individuals for any act or omission made in good faith in relation to the DROP or assets credited  
112 to DROP accounts established by this section. The provisions of the Internal Revenue Code and  
113 regulations promulgated thereunder shall supersede any provision of this section if there is any  
114 inconsistency with the Internal Revenue Code or regulation.

115 12. Upon the receipt by the board of trustees of evidence and proof that the death of a  
116 member resulted from an event occurring while the member was in the actual performance of  
117 duty, and if the member is participating in the DROP, the member's surviving spouse or, if the  
118 member is then unmarried, the member's unmarried dependent children, may elect within thirty  
119 days after the member's death to have the amount in the member's DROP account paid in the  
120 form of a monthly survivor annuity. Payment of the survivor annuity shall begin within sixty  
121 days after the election is received. Payment to the member's surviving spouse shall continue  
122 until the surviving spouse's death; payment to the member's unmarried dependent children shall  
123 be made while any child qualifies as an unmarried dependent child pursuant to section 86.280.  
124 The survivor annuity shall be the actuarial equivalent of the member's DROP account as of the  
125 date of the member's death. In no event shall the total amount paid pursuant to this subsection  
126 be less than the member's DROP account balance as of the date of the member's death.

86.253. 1. Upon termination of employment as a police officer and actual retirement for  
2 service, a member shall receive a service retirement allowance which shall be an amount equal  
3 to two percent of the member's average final compensation multiplied by the number of years  
4 of the member's creditable service, up to twenty-five years, plus an amount equal to four percent  
5 of the member's average final compensation for each year of creditable service in excess of  
6 twenty-five years but not in excess of thirty years; plus an additional five percent of the member's  
7 average final compensation for any creditable service in excess of thirty years. Notwithstanding  
8 the foregoing, the service retirement allowance of a member who does not earn any creditable  
9 service after August 11, 1999, shall not exceed an amount equal to seventy percent of the  
10 member's average final compensation, and the service retirement allowance of a member who  
11 earns creditable service on or after August 12, 1999, shall not exceed an amount equal to  
12 seventy-five percent of the member's average final compensation; provided, however, that the  
13 service retirement allowance of a member who is participating in the DROP pursuant to section  
14 86.251 on August 12, 1999, who returns to active participation in the system pursuant to section  
15 86.251, and who terminates employment as a police officer and actually retires for reasons other  
16 than death or disability before earning at least two years of creditable service after such return

17 shall be the sum of (1) the member's service retirement allowance as of the date the member  
18 entered DROP and (2) an additional service retirement allowance based solely on the creditable  
19 service earned by the member following the member's return to active participation. The  
20 member's total years of creditable service shall be taken into account for the purpose of  
21 determining whether the additional allowance attributable to such additional creditable service  
22 is two percent, four percent or five percent of the member's average final compensation.

23         2. If, at any time since first becoming a member of the retirement system, the member  
24 has served in the Armed Forces of the United States, and has subsequently been reinstated as a  
25 policeman within ninety days after the member's discharge, the member shall be granted credit  
26 for such service as if the member's service in the police department of such city had not been  
27 interrupted by the member's induction into the Armed Forces of the United States. If earnable  
28 compensation is needed for such period in computation of benefits it shall be calculated on the  
29 basis of the compensation payable to the officers of the member's rank during the period of the  
30 member's absence. Notwithstanding any provision of sections 86.200 to 86.366 to the contrary,  
31 the retirement system governed by sections 86.200 to 86.366 shall be operated and administered  
32 in accordance with the applicable provisions of the Uniformed Services Employment and  
33 Reemployment Rights Act of 1994, as amended.

34         3. The service retirement allowance of each present and future retired member **who**  
35 **earned creditable service before October 1, 2020, and** who terminated employment as a police  
36 officer and actually retired from service after attaining age fifty-five or after completing twenty  
37 years of creditable service shall be increased annually at a rate not to exceed three percent as  
38 approved by the board of trustees beginning with the first increase in the second October  
39 following the member's retirement and subsequent increases in each October thereafter, provided  
40 that each increase is subject to a determination by the board of trustees that the consumer price  
41 index (United States City Average Index) as published by the United States Department of Labor  
42 shows an increase of not less than the approved rate during the latest twelve-month period for  
43 which the index is available at the date of determination; and provided further, that if the increase  
44 is in excess of the approved rate for any year, such excess shall be accumulated as to any retired  
45 member and increases may be granted in subsequent years subject to a maximum of three percent  
46 for each full year from October following the member's retirement but not to exceed a total  
47 percentage increase of thirty percent. **The service retirement allowance of a member who**  
48 **commenced employment for the first time on or after October 1, 2020, shall be increased**  
49 **in the same manner.** In no event shall the increase described under this subsection be applied  
50 to the amount, if any, paid to a member or surviving spouse of a deceased member for services  
51 as a special consultant under subsection 5 of this section [~~or, if applicable, subsection 6 of this~~  
52 ~~section~~]. If the board of trustees determines that the index has decreased for any year, the

53 benefits of any retired member that have been increased shall be decreased but not below the  
54 member's initial benefit. No annual increase shall be made of less than one percent and no  
55 decrease of less than three percent except that any decrease may be limited in amount by the  
56 initial benefit.

57 4. In addition to any other retirement allowance payable under this section and section  
58 86.250, a member, upon termination of employment as police officer and actual service  
59 retirement, may request payment of the total amount of the member's mandatory contributions  
60 to the retirement system without interest. Upon receipt of such request, the board shall pay the  
61 retired member such total amount of the member's mandatory contributions to the retirement  
62 system to be paid pursuant to this subsection within sixty days after such retired member's date  
63 of termination of employment as a police officer and actual retirement. **Notwithstanding the**  
64 **foregoing, a member who commenced employment for the first time on or after October**  
65 **1, 2020, shall not be eligible for the return of his or her mandatory contributions to the**  
66 **retirement system upon termination of employment as a police officer and actual service**  
67 **retirement; except that, a member who commenced employment for the first time on or**  
68 **after October 1, 2020, shall receive his or her mandatory contributions to the retirement**  
69 **system without interest if not vested at the time of termination of employment as a police**  
70 **officer or actual service retirement.**

71 5. Any person who is receiving retirement benefits from the retirement system, upon  
72 application to the board of trustees, shall be made, constituted, appointed and employed by the  
73 board of trustees as a special consultant on the problems of retirement, aging and other matters,  
74 for the remainder of the person's life or, in the case of a deceased member's surviving spouse,  
75 until the earlier of the person's death or remarriage, and upon request of the board of trustees  
76 shall give opinions and be available to give opinions in writing or orally, in response to such  
77 requests, as may be required. For such services the special consultant shall be compensated  
78 monthly, in an amount which, when added to any monthly retirement benefits being received  
79 from the retirement system, including any cost-of-living increases under subsection 3 of this  
80 section, shall total six hundred fifty dollars a month. This employment shall in no way affect any  
81 person's eligibility for retirement benefits under this chapter, or in any way have the effect of  
82 reducing retirement benefits, notwithstanding any provisions of law to the contrary.

86.254. 1. Beginning July 1, 1994, in addition to any other annuity, benefits, or  
2 retirement allowance provided pursuant to sections 86.200 to 86.366, each present and future  
3 retired member **who commenced employment before October 1, 2020**, after attaining the age  
4 of sixty years shall, upon application to the board of trustees, be made, constituted, appointed and  
5 employed by the board of trustees as an advisor on the problems of retirement, aging and other

6 matters, for the remainder of the retired member's life, and upon request of the board of trustees  
7 shall give opinions in writing or orally in response to such requests as may be required.

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

13         3. Beginning October 1, 1999, in addition to any other benefit provided to any surviving  
14 spouse pursuant to sections 86.200 to 86.366, each present and future surviving spouse of a  
15 member **who commenced employment before October 1, 2020**, after attaining the age of sixty  
16 years shall upon application to the board of trustees, be made, constituted, appointed and  
17 employed by the board of trustees as an advisor on the problems of retirement, aging and other  
18 matters for the remainder of the surviving spouse's life or until the surviving spouse remarries,  
19 whichever is earlier, and upon request of the board of trustees shall give opinions in writing or  
20 orally in response to such requests as may be required.

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

86.257. 1. Upon the application of the chief of police or a member, any member who  
2 has completed ten or more years of creditable service or upon the police retirement system  
3 created by sections 86.200 to 86.366 first attaining, after August 28, 2013, a funded ratio, as  
4 defined in section 105.660 and as determined by the system's annual actuarial valuation, of at  
5 least eighty percent, a member who has completed five or more years of creditable service and  
6 who has become permanently unable to perform the duties of a police officer as the result of an  
7 injury or illness not ~~exclusively~~ caused or induced by the actual performance of his or her  
8 official duties or by his or her own negligence shall be retired by the board of trustees of the  
9 police retirement system upon certification by the medical board of the police retirement system  
10 and approval by the board of trustees of the police retirement system that the member is mentally  
11 or physically unable to perform the duties of a police officer, that the inability is permanent or  
12 likely to become permanent, and that the member should be retired.

13         2. Once each year during the first five years following such member's retirement, and at  
14 least once in every three-year period thereafter, the board of trustees may, and upon the member's  
15 application shall, require any nonduty disability beneficiary who has not yet attained sixty years  
16 of age to undergo a medical examination at a place designated by the medical board or such

17 physicians as the medical board appoints. If any nonduty disability beneficiary who has not  
18 attained sixty years of age refuses to submit to a medical examination, his or her nonduty  
19 disability ~~[pension]~~ **retirement allowance** may be discontinued until his or her withdrawal of  
20 such refusal, and if his or her refusal continues for one year, all rights in and to such ~~[pension]~~  
21 **disability retirement allowance** may be revoked by the board of trustees.

22 3. If the medical board certifies to the board of trustees that a nonduty disability  
23 beneficiary is able to perform the duties of a police officer, and if the board of trustees concurs  
24 on the report, then such beneficiary's nonduty disability ~~[pension]~~ **retirement allowance** shall  
25 cease.

26 4. If upon cessation of a disability ~~[pension]~~ **retirement allowance** under subsection 3  
27 of this section, the former disability beneficiary is restored to active service, he or she shall again  
28 become a member, and he or she shall contribute thereafter at the same rate as other members.  
29 Upon his or her subsequent retirement, he or she shall be credited with all of his or her active  
30 retirement, but not including any time during which the former disability beneficiary received  
31 a disability ~~[pension]~~ **retirement allowance** under this section.

86.263. 1. Any member in active service who is permanently unable to perform the full  
2 and unrestricted duties of a police officer as the natural~~l,~~ **and proximate**~~[-, and exclusive]~~ result  
3 of an accident occurring within the actual performance of duty at some definite time and place,  
4 through no negligence on the member's part, shall be retired by the board of trustees of the police  
5 retirement system upon certification by the medical board that the member is mentally or  
6 physically unable to perform the full and unrestricted duties of a police officer, that the inability  
7 is permanent or likely to become permanent, and that the member should be retired. The  
8 inability to perform the "full and unrestricted duties of a police officer" means the member is  
9 unable to perform all the essential job functions for the position of police officer as established  
10 by the chief of police.

11 2. No member shall be approved for retirement under the provisions of subsection 1 of  
12 this section unless the application was made and submitted by the chief of police or a member  
13 no later than five years following the date of accident, provided, that if the accident was reported  
14 within five years of the date of the accident and an examination made of the member within  
15 thirty days of the date of accident by a health care provider whose services were provided  
16 through the chief of police with subsequent examinations made as requested, then an application  
17 made more than five years following the date of the accident shall be considered timely.

18 3. Once each year during the first five years following a member's retirement, and at least  
19 once in every three-year period thereafter, the board of trustees may require any disability  
20 beneficiary who has not yet attained sixty years of age to undergo a medical examination or  
21 medical examinations at a place designated by the medical board or such physicians as the

22 medical board appoints. If any disability beneficiary who has not attained sixty years of age  
23 refuses to submit to a medical examination, his or her disability pension may be discontinued by  
24 the board of trustees of the police retirement system until his or her withdrawal of such refusal,  
25 and if his or her refusal continues for one year, all rights in and to such ~~[pension]~~ **disability**  
26 **retirement allowance** may be revoked by the board of trustees.

27 4. If the medical board certifies to the board of trustees that a disability beneficiary is  
28 able to perform the duties of a police officer, then such beneficiary's disability ~~[pension]~~  
29 **retirement allowance** shall cease.

30 5. If upon cessation of a disability ~~[pension]~~ **retirement allowance** under subsection 4  
31 of this section, the former disability beneficiary is restored to active service, he or she shall again  
32 become a member, and he or she shall contribute thereafter at the same rate as other members.  
33 Upon his or her subsequent retirement, he or she shall be credited with all of his or her active  
34 service time as a member including the service time prior to receiving disability retirement, but  
35 not including any time during which the former disability beneficiary received a disability  
36 ~~[pension]~~ **retirement allowance** under this section.

37 6. If upon cessation of a disability ~~[pension]~~ **retirement allowance** under subsection 4  
38 of this section, the former disability beneficiary is not restored to active service, such former  
39 disability beneficiary shall be entitled to the retirement benefit to which such former disability  
40 beneficiary would have been entitled if such former disability beneficiary had terminated service  
41 for any reason other than dishonesty or being convicted of a felony at the time of such cessation  
42 of such former disability beneficiary's disability ~~[pension]~~ **retirement allowance**. For purposes  
43 of such retirement benefits, such former disability beneficiary shall be credited with all of the  
44 former disability beneficiary's active service time as a member, but not including any time during  
45 which the former disability beneficiary received a disability ~~[beneficiary pension]~~ **retirement**  
46 **allowance** under this section.

86.267. 1. Upon termination of employment as a police officer and actual retirement for  
2 accidental disability, other than permanent total disability as defined in subsection 2 **of this**  
3 **section**, a member shall receive a **disability** retirement allowance of seventy-five percent of the  
4 member's average final compensation. **To the extent a member receiving a disability**  
5 **retirement allowance is gainfully employed, a proportionate offset shall apply against any**  
6 **disability retirement allowance received if the sum of the member's current salary plus**  
7 **disability retirement allowance equals an amount in excess of one hundred twenty-five**  
8 **percent of the member's current salary.**

9 2. Any member who, as the natural and proximate result of an accident occurring at some  
10 definite time and place in the actual performance of the member's duty through no negligence  
11 on the member's part, is permanently and totally incapacitated from performing any work,

12 occupation or vocation of any kind whatsoever shall receive a **disability** retirement allowance  
13 as under subsection 1 **of this section** or, in the discretion of the board of trustees, may receive  
14 a larger **disability** retirement allowance in an amount not exceeding the member's rate of  
15 compensation as a policeman in effect as of the date the allowance begins.

16 3. The board of trustees, in its discretion, may, in addition to the **disability retirement**  
17 allowance granted in accordance with the provisions of subsections 1 and 2 **of this section**, grant  
18 an allowance in an amount to be determined by the board of trustees, to provide such member  
19 with surgical, medical and hospital care reasonably required after retirement, which are the result  
20 and in consequence of the accident causing such disability.

21 4. Any person who is receiving benefits pursuant to subsection 2 of this section on or  
22 after August 28, 1997, and any person who is receiving benefits pursuant to subsection 1 of this  
23 section on or after October 1, 2001, and who made mandatory contributions to the retirement  
24 system, upon application to the board of trustees, shall be made, constituted, appointed and  
25 employed by the board of trustees as a special consultant on the problems of retirement, aging  
26 and other matters, and upon request of the board of trustees shall give opinions and be available  
27 to give opinions in writing or orally, in response to such requests, as may be required. For such  
28 services the retired member shall be paid a lump sum payment in an amount equal to the total  
29 amount of the member's mandatory contributions to the retirement system, without interest,  
30 within sixty days after approval of the retired member's application by the board of trustees.

86.277. Should a disabled member be restored to active service, such member's disability  
2 **retirement** allowance shall cease. The disabled member shall again become a member and shall  
3 contribute thereafter at the same rate in effect prior to disability. Any prior service certificate on  
4 the basis of which the member's service was computed at the time of retirement shall be restored  
5 to full force and effect and in addition upon the member's subsequent retirement, the member  
6 shall be credited with all service as a member, and if the member's then average final  
7 compensation is less than the average final compensation used in determining the member's  
8 disability **retirement** allowance, the latter amount shall be used in determining benefits.

86.283. Upon receipt of proper proofs of the death of a retired member who retired while  
2 in service, including retirement for service, [~~ordinary~~] **nonduty** disability or accidental disability,  
3 and provided no other benefits are payable from the retirement system, there shall be paid the  
4 following benefits:

5 (1) Effective October 1, 1999, a pension to the surviving spouse until the surviving  
6 spouse dies or remarries, whichever is earlier, of forty percent of the deceased member's average  
7 final compensation plus fifteen percent of such compensation to, or for the benefit of, each  
8 unmarried dependent child of the deceased member, who is either under the age of eighteen, or

9 who, regardless of age, is totally and permanently mentally or physically disabled and  
10 incapacitated from engaging in a gainful occupation sufficient to support himself or herself;

11 (2) Any surviving spouse or unmarried dependent child receiving benefits pursuant to  
12 this section immediately prior to October 1, 1999, shall upon application to the board of trustees  
13 be made, constituted, appointed and employed by the board of trustees as a special consultant  
14 on the problems of retirement, aging and other matters while the surviving spouse or unmarried  
15 dependent child is receiving such benefits, and upon request of the board of trustees shall give  
16 opinions in writing or orally in response to such requests as may be required. Beginning October  
17 1, 1999, for such services as may be required, a surviving spouse shall receive additional  
18 monthly compensation equal to the amount which when added to the benefits the surviving  
19 spouse was receiving pursuant to this section prior to October 1, 1999, determined without  
20 regard to any increase applied to such benefits prior to October 1, 1999, pursuant to subdivision  
21 (8) of this section, will increase the surviving spouse's total monthly payment pursuant to this  
22 section to forty percent of the deceased member's average final compensation, and there shall be  
23 payable an additional monthly compensation of one hundred dollars or five percent of the  
24 member's average final compensation, whichever is greater, for each unmarried dependent child  
25 of the member. The additional monthly compensation payable to a surviving spouse pursuant  
26 to this subdivision shall be adjusted for any cost-of-living increases that apply to the benefit the  
27 surviving spouse was receiving prior to October 1, 1999;

28 (3) If no surviving spouse benefits are payable pursuant to subdivisions (1) and (2) of  
29 this section, such total pension as would have been paid pursuant to subdivisions (1) and (2) of  
30 this section had there been a surviving spouse, determined without regard to any increase which  
31 would have applied to the surviving spouse's benefits pursuant to subdivision (8) of this section,  
32 shall be divided among the unmarried dependent children under age eighteen and unmarried  
33 dependent children, regardless of age, who are totally and permanently mentally or physically  
34 disabled and incapacitated from engaging in a gainful occupation sufficient to support  
35 themselves. The benefit shall be divided equally among the eligible dependent children, and the  
36 share of a child who is no longer eligible shall be divided equally among the remaining eligible  
37 dependent children; provided that not more than one-half of the surviving spouse's benefits shall  
38 be paid for one child;

39 (4) No benefits pursuant to this section shall be paid to a child over eighteen years of age  
40 who is totally and permanently disabled if such child is a patient or resident of a public-supported  
41 institution, nor shall such benefits be paid unless such disability occurred prior to such child  
42 reaching the age of eighteen;

43 (5) Whenever any dependent child designated by the board of trustees to receive benefits  
44 pursuant to this section is in the care of the surviving spouse of the deceased member, such  
45 benefits may be paid to such surviving spouse for the child;

46 (6) In the event of the death of a retired member receiving accidental disability benefits  
47 before such benefits have been paid for five years, the member's surviving spouse until the  
48 surviving spouse dies or remarries, whichever is earlier, shall receive an additional pension of  
49 ten percent of the deceased member's final average compensation;

50 (7) Any benefit payable to, or for the benefit of, a child or children under the age of  
51 eighteen years pursuant to subdivisions (1) to (3) of this section shall continue to be paid beyond  
52 the age of eighteen years through the age of twenty-two years if the child is a full-time student  
53 at a regularly accredited college, business school, nursing school, school for technical or  
54 vocational training, or university, but such extended benefit shall cease whenever the child  
55 ceases to be a student. A college or university shall be deemed to be regularly accredited which  
56 maintains membership in good standing in a national or regional accrediting agency recognized  
57 by any state college or university;

58 (8) The benefits payable pursuant to this section to the surviving spouse of a retired  
59 member who received or was entitled to receive a service retirement allowance shall be increased  
60 in the same percentages and pursuant to the same method as is provided in section 86.253 for  
61 adjustments in the service retirement allowance of a retired member.

86.288. In addition to any other benefits payable, notwithstanding any provisions of  
2 sections 86.280 and 86.287 to the contrary, if a member **who commenced employment before**  
3 **October 1, 2020**, dies while commissioned as a peace officer, or after retiring and before  
4 receiving a refund of the member's mandatory contributions in accordance with section 86.253  
5 or 86.290, or while receiving a disability retirement allowance in accordance with section 86.253  
6 or 86.257, the total amount of the member's mandatory contributions to the retirement system  
7 shall be paid without interest to the surviving spouse of such member. Payment pursuant to this  
8 section shall be made within sixty days after the later of the date proper proofs of death are  
9 provided or August 28, 1994, regardless of when the member died or actually retired, provided  
10 that the surviving spouse shall be alive on the date that payment is made.

86.290. Should a member **who earned creditable service before October 1, 2020**,  
2 cease to be a policeman except by death or actual retirement, the member may request payment  
3 of the amount of the accumulated contributions standing to the credit of the member's individual  
4 account, including members' interest, in which event such amount shall be paid to the member  
5 not later than one year after the member ceases to be a policeman. If the former member is  
6 reemployed as a policeman before any portion of such former member's accumulated  
7 contributions is distributed, no distribution shall be made. If the former member is reemployed

8 as a policeman after a portion of the former member's accumulated contributions is distributed,  
9 the amount remaining shall also be distributed.

86.320. 1. **(1)** The board of trustees shall certify to the chief of police who shall cause  
2 to be deducted, **prior to taxation**, from the salary of each member **hired before October 1,**  
3 **2020**, on each and every payroll for each and every pay period, [~~seven~~] **nine** percent of the  
4 compensation of each member who is not participating in the DROP, including each member  
5 whose participation in the DROP has ended and who has returned to active participation in the  
6 system pursuant to section 86.251, and zero percent of the compensation of each member who  
7 is participating in the DROP or whose participation in the DROP has ended but who has not  
8 returned to active participation in the system pursuant to section 86.251.

9 **(2) The board of trustees shall certify to the chief of police who shall cause to be**  
10 **deducted, prior to taxation, from the salary of each member hired on or after October 1,**  
11 **2020, on each and every payroll for each and every pay period, nine percent of the**  
12 **compensation of each member who is not participating in the DROP and zero percent of**  
13 **the compensation of each member who is participating in the DROP.**

14 2. The deductions provided for in this section shall be made notwithstanding that the  
15 minimum compensation provided by law for any member shall be reduced thereby. Every  
16 member shall be deemed to consent to the deductions made and provided for in this section, and  
17 shall receipt for the member's full salary or compensation and payment of salary or compensation  
18 less such deduction shall be a full and complete discharge and acquittance of all claims and  
19 demands whatsoever for services rendered during the period covered by the payment except as  
20 to benefits provided by sections 86.200 to 86.366. The chief of police shall certify to the board  
21 of trustees on each and every payroll or in such other manner as the board of trustees shall  
22 prescribe the amount deducted, and such amounts shall be paid into the system and shall be  
23 credited together with members' interest thereon to the individual account of the member from  
24 whose compensation such deduction was made.

25 3. The board of trustees is authorized to grant additional benefits for such parts of  
26 contributions as were made prior to the adoption of the seven-percent rate for all members which  
27 were in excess of the compulsory contributions required of each member.

86.330. 1. After each annual valuation, the actuary engaged by the board to make the  
2 valuation required by sections 86.200 to 86.366, shall determine the normal contribution rate.  
3 The normal contribution rate shall be the rate percent of the earnable compensation of all  
4 members obtained by deducting from the total liabilities of the retirement system the amount of  
5 the assets in hand to the credit of the retirement system and the present value of expected future  
6 member contributions and dividing the remainder by one percent of the present value of the

7 prospective future compensation of all members as computed on the basis of mortality and  
8 service tables and interest assumptions adopted by the board of trustees.

9       **2. Notwithstanding the provisions of subsection 1 of this section, if the board of**  
10 **trustees of the police retirement system adopts a rule or ordinance as described in section**  
11 **86.247, after the effective date of such ordinance, for each annual valuation for the first of**  
12 **the plan years beginning with the plan year of such adoption and each subsequent year,**  
13 **the actuary engaged by the board to make the valuation required by sections 86.200 to**  
14 **86.366 shall determine the normal cost for such year using the entry age normal actuarial**  
15 **cost method as described in this subsection. Under the entry age normal actuarial cost**  
16 **method, the actuarial present value of the projected benefits of each individual included**  
17 **in an actuarial valuation is allocated on a level basis over the service of the individual**  
18 **between entry age and assumed exit age. The portion of this actuarial present value**  
19 **allocated to a valuation year is called the "normal cost".**

86.333. 1. At the first valuation after the effective date of these amendments the actuary  
2 engaged by the board of trustees shall compute the rate percent of the total earnable  
3 compensation of all members which is equivalent to four percent of the amount of the total  
4 unfunded benefit liability on account of all members and beneficiaries which is not dischargeable  
5 by the aforesaid normal contribution made on account of such members during the remainder of  
6 their active service. The rate percent originally so determined shall be known as "the accrued  
7 liability contribution rate".

8       **2. (1) Notwithstanding the provisions of subsection 1 of this section, if the board**  
9 **of trustees of the police retirement system adopts a rule or ordinance as described in**  
10 **section 86.247, after each annual valuation for plan years beginning with the year of such**  
11 **adoption, the actuary engaged by the board to make the valuation required by sections**  
12 **86.200 to 86.366 shall determine the actuarial accrued liability under the entry age normal**  
13 **actuarial cost method. Under the entry age normal actuarial cost method, the actuarial**  
14 **present value of the projected benefits of each individual included in an actuarial valuation**  
15 **is allocated on a level basis over the service of the individual between entry age and**  
16 **assumed exit age. The portion of this actuarial present value not provided for at a**  
17 **valuation date by the actuarial present value of future normal costs is called the "actuarial**  
18 **accrued liability".**

19       **(2) The actuary shall determine the initial unfunded actuarial accrued liability as**  
20 **the amount by which the actuarial accrued liability exceeds the actuarial value of the assets**  
21 **of the retirement system. The amortization payment for the initial unfunded actuarial**  
22 **accrued liability as of October 1, 2020, shall be determined as a level percentage of payroll**  
23 **for a twenty-year period. The amortization period for subsequent years for the initial**

24 **unfunded accrued liability shall decline by one year for each of the next twenty years. Any**  
25 **changes in the unfunded accrued liability that result from experience gains and losses,**  
26 **changes in actuarial assumptions, and changes in plan benefits for plan years beginning**  
27 **on or after October 1, 2020, shall be amortized in accordance with policies and procedures**  
28 **adopted by the board. Such policies shall include, but not be limited to, the period of**  
29 **amortization and pattern of payments, provided that the period of amortization is no more**  
30 **than thirty years. Other than the initial unfunded liability, the board may combine**  
31 **amortization periods in the interest of efficiency if the effect upon the contribution**  
32 **calculation is not considered material. Such policies adopted by the board shall be based**  
33 **on the advice of the system's actuary and shall comply with all applicable actuarial**  
34 **standards of practice.**

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

6 **2. Notwithstanding the provisions of subsection 1 of this section, if the board of**  
7 **trustees of the police retirement system adopts a rule or ordinance as described in section**  
8 **86.247, the total amount payable to the retirement system for each plan year, beginning on**  
9 **or after October first of the year of the adoption of such ordinance, shall be no less than**  
10 **the greater of the following:**

11 (1) **The sum of:**

12 (a) **The normal cost determined under section 86.330; and**

13 (b) **The unfunded accrued liability contribution determined under section 86.333;**

14 **or**

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

86.354. 1. A member's benefit shall be one hundred percent vested and nonforfeitable  
2 upon the first of the following to occur:

3 (1) The member's attainment of age fifty-five, the normal retirement age; or

4 (2) The member's completion of twenty years of creditable service regardless of age; or

5 (3) The termination of the plan established pursuant to sections 86.200 to 86.366, to the  
6 extent the plan is funded.

7 **2. Notwithstanding any provision in subsection 1 of this section to the contrary:**

8           **(1) Any member who commenced employment before October 1, 2020, who has**  
9 **completed a total of twenty years of creditable service is eligible for retirement at any age;**  
10 **and**

11           **(2) Any member who commenced employment for the first time on or after October**  
12 **1, 2020, who is one hundred percent vested due to the completion of ten years of creditable**  
13 **service shall not be eligible to receive a retirement allowance until attaining fifty-five years**  
14 **of age.**

15           **3. Forfeitures of any nature under such plan shall not be used to increase the benefits of**  
16 **any member, but shall be used to reduce the city's contributions pursuant to section 86.243.**

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