FIRST REGULAR SESSION

HOUSE BILL NO. 515

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE LEARA.

1053H.01I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 86.200, 86.213, 86.237, 86.250, 86.251, 86.257, 86.263, 86.270, and 86.320, RSMo, and to enact in lieu thereof nine new sections relating to police retirement systems.

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

Section A. Sections 86.200, 86.213, 86.237, 86.250, 86.251, 86.257, 86.263, 86.270, and

- 86.320, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as
- 3 sections 86.200, 86.213, 86.237, 86.250, 86.251, 86.257, 86.263, 86.270, and 86.320, to read as
- 4 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:
- 3 (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 5 members' interest thereon;
- 6 (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;
- 8 (3) "Average final compensation":
- 9 (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 10 11 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; 12
- 13 (b) With respect to a member who is not participating in the DROP pursuant to section 14 86.251 on October 1, 2001, who did not participate in the DROP at any time before such date,

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.

and who earns any creditable service on or after October 1, 2001, the average earnable compensation of the member during the member's last two years of creditable service as a policeman, or if the member has had less than two years of creditable service, then the average earnable compensation of the member's entire period of creditable service;

- (c) With respect to a member who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns to active participation in the system pursuant to section 86.251, and who terminates employment as a police officer for reasons other than death or disability before earning at least two years of creditable service after such return, the portion of the member's benefit attributable to creditable service earned before DROP entry shall be determined using average final compensation as defined in paragraph (a) of this subdivision; and the portion of the member's benefit attributable to creditable service earned after return to active participation in the system shall be determined using average final compensation as defined in paragraph (b) of this subdivision;
- (d) With respect to a member who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose participation in the DROP ended before such date, who returns to active participation in the system pursuant to section 86.251, and who terminates employment as a police officer after earning at least two years of creditable service after such return, the member's benefit attributable to all of such member's creditable service shall be determined using the member's average final compensation as defined in paragraph (b) of this subdivision;
- (e) With respect to a member who is participating in the DROP pursuant to section 86.251 on October 1, 2001, or whose participation in DROP ended before such date, who returns to active participation in the system pursuant to section 86.251, and whose employment as a police officer terminates due to death or disability after such return, the member's benefit attributable to all of such member's creditable service shall be determined using the member's average final compensation as defined in paragraph (b) of this subdivision; and
- (f) With respect to the surviving spouse or surviving dependent child of a member who earns any creditable service on or after October 1, 2001, the average earnable compensation of the member during the member's last two years of creditable service as a police officer or, if the member has had less than two years of creditable service, the average earnable compensation of the member's entire period of creditable service;
 - (4) "Beneficiary", any person in receipt of a retirement allowance or other benefit;
- (5) ["Board of police commissioners", any board of police commissioners, police commissioners and any other officials or boards now or hereafter authorized by law to employ and manage a permanent police force in such cities;

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50 (6)] "Board of trustees", the board provided in sections 86.200 to 86.366 to administer the retirement system;

- [(7)] **(6)** "Creditable service", prior service plus membership service as provided in sections 86.200 to 86.366;
 - [(8)] (7) "DROP", the deferred retirement option plan provided for in section 86.251;
- [(9)] (8) "Earnable compensation", the annual salary established under section 84.160 which a member would earn during one year on the basis of the member's rank or position plus any additional compensation for academic work and shift differential that may be provided by any official or board now or hereafter authorized by law to employ and manage a permanent police force in such cities. Such amount shall include the member's deferrals to a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code or to a cafeteria plan pursuant to Section 125 of the Internal Revenue Code or, effective October 1, 2001, to a transportation fringe benefit program pursuant to Section 132(f)(4) of the Internal Revenue Code. Earnable compensation shall not include a member's additional compensation for overtime, standby time, court time, nonuniform time or unused vacation time. Notwithstanding the foregoing, the earnable compensation taken into account under the plan established pursuant to sections 86.200 to 86.366 with respect to a member who is a noneligible participant, as defined in this subdivision, for any plan year beginning on or after October 1, 1996, shall not exceed the amount of compensation that may be taken into account under Section 401(a)(17) of the Internal Revenue Code, as adjusted for increases in the cost of living, for such plan year. For purposes of this subdivision, a "noneligible participant" is an individual who first becomes a member on or after the first day of the first plan year beginning after the earlier of:
 - (a) The last day of the plan year that includes August 28, 1995; or
 - (b) December 31, 1995;
- [(10)] (9) "Internal Revenue Code", the federal Internal Revenue Code of 1986, as amended;
- [(11)] (10) "Mandatory contributions", the contributions required to be deducted from the salary of each member who is not participating in DROP in accordance with section 86.320;
- [(12)] (11) "Medical board", the [board of three physicians of different disciplines] health care organization appointed by the trustees of the police retirement board and responsible for arranging and passing upon all medical examinations required under the provisions of sections 86.200 to 86.366, which [board] shall investigate all essential statements and certificates made by or on behalf of a member in connection with an application for disability retirement and shall report in writing to the board of trustees its conclusions and recommendations[, which can be based upon the opinion of a single member or that of an outside specialist if one is appointed, upon all the matters referred to such medical board];

86 [(13)] **(12)** "Member", a member of the retirement system as defined by sections 86.200 to 86.366;

- [(14)] (13) "Members' interest", interest on accumulated contributions at such rate as may be set from time to time by the board of trustees;
 - [(15)] (14) "Membership service", service as a policeman rendered since last becoming a member, except in the case of a member who has served in the Armed Forces of the United States and has subsequently been reinstated as a policeman, in which case "membership service" means service as a policeman rendered since last becoming a member prior to entering such armed service;
 - [(16)] (15) "Plan year" or "limitation year", the twelve consecutive-month period beginning each October first and ending each September thirtieth;
- 97 [(17)] (16) "Policeman" or "police officer", any member of the police force of such cities who holds a rank in such police force;
 - [(18)] (17) "Prior service", all service as a policeman rendered prior to the date the system becomes operative or prior to membership service which is creditable in accordance with the provisions of sections 86.200 to 86.366;
 - [(19)] (18) "Reserve officer", any member of the police reserve force of such cities, armed or unarmed, who works less than full time, without compensation, and who, by his or her assigned function or as implied by his or her uniform, performs duties associated with those of a police officer and who currently receives a service retirement as provided by sections 86.200 to 86.366;
 - [(20)] (19) "Retirement allowance", annual payments for life as provided by sections 86.200 to 86.366 which shall be payable in equal monthly installments or any benefits in lieu thereof granted to a member upon termination of employment as a police officer and actual retirement;
 - [(21)] **(20)** "Retirement system", the police retirement system of the cities as defined in sections 86.200 to 86.366;
- [(22)] (21) "Surviving spouse", the surviving spouse of a member who was the member's spouse at the time of the member's death.
 - 86.213. 1. The general administration and the responsibility for the proper operation of the retirement system and for making effective the provisions of sections 86.200 to 86.366 are hereby vested in a board of trustees of nine persons. The board shall be constituted as follows:
 - 4 (1) The comptroller of the city, ex officio. If the comptroller is absent from any meeting of the board of trustees for any cause whatsoever, the comptroller may be represented by either the deputy comptroller or the first assistant comptroller who in such case shall have full power to act as a member of the said board of trustees;

(2) Two members to be appointed by the mayor of the city to serve for a term of two years, except the mayor shall not appoint the police chief of the municipal police force[,] or the city's director of public safety[, or the president of the board of police commissioners of the city];

- (3) Three members to be elected by the members of the retirement system of the city for a term of three years; provided, however, that the term of office of the first three members so elected shall begin immediately upon their election and one such member's term shall expire one year from the date the retirement system becomes operative, another such member's term shall expire two years from the date the retirement system becomes operative and the other such member's term shall expire three years from the date the retirement system becomes operative; provided, further, that such members shall be members of the system and hold office only while members of the system;
- (4) Three members who shall be retired members of the retirement system to be elected by the retired members of the retirement system for a term of three years; except that, the term of office of the first two members so elected shall begin immediately upon their election and one such member's term shall expire two years from the date of election and the other such member's term shall expire three years from the date of election.
- 2. Any member elected chairman of the board of trustees may serve without term limitations.
- 3. Each commissioned elected trustee shall be granted travel time by the St. Louis metropolitan police department to attend any and all functions that have been authorized by the board of trustees of the police retirement system of St. Louis. Travel time, with compensation, for a trustee shall not exceed thirty days in any board fiscal year.
- 86.237. 1. The board of trustees is authorized to use the city counselor of the specified cities as a legal advisor to the board of trustees and may also appoint an attorney-at-law or firm of attorneys-at-law to serve as the legal advisor and consultant to the board of trustees and to represent the system and the board of trustees in all legal proceedings.
- 2. The board of trustees shall designate a [medical director, who] medical board which shall [appoint physicians, including himself or herself if appropriate, as he or she deems necessary to] arrange for and pass upon all medical examinations required under the provisions of sections 86.200 to 86.366. Such [physicians] medical board shall investigate all essential statements as to physical or mental conditions made by or on behalf of a member in connection with an application for disability retirement and shall report in writing [their] to the board of trustees its conclusions and recommendations upon all the matters referred to them. [The medical director shall report in writing to the board of trustees conclusions and recommendations concerning all essential statements as to physical or mental conditions made by or on behalf of a member in connection with an application for disability retirement.]

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

- (1) Any member may terminate employment as a police officer and actually retire after completing twenty or more years of creditable service or attaining the age of fifty-five upon the member's written application to the board of trustees setting forth at what time, but not more than ninety days subsequent to the execution and filing of the application, the member desires to be retired;
- (2) Any member in service who has attained the age of sixty-five shall be terminated as a police officer and actually retired forthwith provided that upon request of the [board] **chief** of police [commissioners] the board of trustees may permit such member to remain in service for periods of not to exceed one year from the date of the last request from the [board] **chief** of police [commissioners].
- 86.251. 1. The board of trustees may develop and establish a deferred retirement option plan (DROP) in which members who are eligible for retirement but who have not terminated employment as police officers and who have not actually retired may participate. The DROP shall be designed to allow members with at least twenty years of creditable service or who have attained the age of fifty-five who have achieved eligibility for retirement and are entitled to a service retirement allowance and other benefits to postpone actual retirement, continue active employment and accumulate a deferred receipt of the service retirement allowance. No one shall participate in the DROP for a period exceeding five years.
- 2. Any member who has at least twenty years of creditable service or has attained the age of fifty-five may elect in writing before retirement to participate in the DROP. A member electing to participate in the DROP shall postpone actual retirement, shall continue in active employment and shall not receive any direct retirement allowance payments or benefits during the period of participation.
- 3. Upon the start of the participation in the DROP, the member shall cease to make any mandatory contributions to the system. No contribution shall be required by the city into the DROP account. During the period of participation in the DROP, the amount that the member would have received as a service retirement allowance if the member had actually retired instead of entering DROP shall be deposited monthly in the member's DROP account which shall be established in the member's name by the board of trustees. The member's service retirement allowance shall not be adjusted for any cost-of-living increases for any period prior to the member's termination of employment as a police officer and actual retirement. Cost-of-living increases, if any, for any period following the member's termination of employment as a police officer and actual retirement payments made following termination of employment as a police officer and actual retirement. Service earned

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during the period of participation in the DROP shall not be creditable service and shall not be counted in determination of any service retirement allowance or surviving spouse's or 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 retirement allowance or surviving spouse's or dependent's benefits. The member's service retirement allowance shall be frozen as of the date the member enters DROP. Except as 30 specifically provided in sections 86.200 to 86.366, the member's frozen service retirement allowance shall not increase while the member is participating in DROP or after the member's participation in DROP ends, and the member shall not share in any benefit improvement that is enacted or that becomes effective while such member is participating in the DROP.

- 4. A member shall cease participation in the DROP upon the termination of the member's employment as a police officer and actual retirement, or at the end of the five-year period commencing on the first day of the member's participation in the DROP, or as of the effective date, but in no event prior to October 1, 2001, of the member's election to return to active participation in the system, whichever occurs first. A member's election to return to active participation in the system before the end of the five-year period commencing on the first day of participation in the DROP shall be made and shall become effective in accordance with procedures established by the board of trustees, but in no event prior to October 1, 2001. Upon the member's termination of employment as a police officer and actual retirement, the member shall elect to receive the value of the member's DROP account, in one of the following forms of payment:
 - (a) A lump sum payment; or
- (b) Equal monthly installments over a ten-year period. Either form of payment should begin within thirty days after the member's notice to the board of trustees that the member has selected a particular option.
- 5. If a member who is participating in the DROP elects to return to active participation in the system or if a member who is participating in the DROP does not terminate employment and actually retires as a police officer in the city for which the retirement system was established pursuant to sections 86.200 to 86.366 at the end of the five-year period commencing on the first day of the member's participation in the DROP, the member shall return to active participation in the system and shall resume making mandatory contributions to the system effective as of the day after participation in the DROP ends [or, if later, October 1, 2001]. The board of trustees shall notify the [police commissioners] chief of police to begin deducting mandatory contributions from the member's salary and the member's employment period shall count as creditable service beginning as of the day the member returns to active participation.

60 6. In no event shall a member whose participation in DROP has ended for any reason be eligible to participate in DROP again.

- 7. Upon the member's termination of employment as a police officer and actual retirement, the member's mandatory contributions to the retirement system shall be paid to the member pursuant to subsection 4 of section 86.253.
- 8. If a member dies prior to termination of employment as a police officer and actual retirement while participating in the DROP or before the member has received full withdrawal of the amount in the member's DROP account under the installment optional payment form, the remaining balance of the member's DROP account shall be payable to the member's surviving spouse; or, if the member is then unmarried, to the member's dependent children in equal shares; or, if none, to the member's designated beneficiary or, if no such beneficiary is then living, to the member's estate. Payment shall be made in a lump sum within sixty days after receipt by the board of trustees of evidence and proof of the death of a member. In addition, the member's mandatory contributions, if any, that were not already paid to the member pursuant to subsection 4 of section 86.253 shall be paid to the member's surviving spouse pursuant to section 86.288.
- 9. If a member applies for and receives benefits for an accidental disability retirement allowance pursuant to the provisions of section 86.263, the member shall forfeit all rights, claims or interest in the member's DROP account and the member's benefits shall be calculated as if the member has continued in employment and had not elected to participate in the DROP. Any portion of a DROP account that has been forfeited as provided in this subsection shall be a general asset of the system.
- 10. A member's DROP account shall earn interest equal to the rate of return earned by the system's investment portfolio on a market value basis, including realized and unrealized gains and losses, net of investment expense, as certified by the system's actuary. As of the last day of each plan year beginning after DROP participation begins, the member's DROP account balance, determined as of the last day of the prior plan year, shall be credited with interest at the investment rate earned by the assets of the retirement system for such prior plan year. If distribution of the member's DROP account balance is made in a lump sum under subsection 4 or 8 of this section, interest for the plan year of distribution shall be credited on the ending balance for the prior plan year at the investment rate earned on the assets of the retirement system for the prior plan year, in proportion to the part of the plan year preceding the date of the member's termination of employment or death, whichever is earlier. If the member's DROP account is paid in equal monthly installments pursuant to subsection 4 of this section, interest during the installment period shall be credited as of the last day of each plan year ending after installment payment begins on the account balance as of the first or last day of the plan year,

whichever is lower, at the investment rate earned by the assets of the system for the prior plan year. Interest for the year in which the final installment is paid shall be credited on the balance remaining after the final installment is paid, at the investment rate earned on the assets of the system for the prior plan year, in proportion to the part of the plan year preceding payment of the final installment. Any interest credited to the DROP account during the installment period shall be paid as soon as reasonably possible after the final monthly installment. No interest shall be credited on amounts, if any, added to the member's DROP account during the year in which the distribution of the account is completed.

- 11. The board of trustees shall not incur any liability individually or on behalf of other individuals for any act or omission made in good faith in relation to the DROP or assets credited to DROP accounts established by this section. The provisions of the Internal Revenue Code and regulations promulgated thereunder shall supersede any provision of this section if there is any inconsistency with the Internal Revenue Code or regulation.
- 12. Upon the receipt by the board of trustees of evidence and proof that the death of a member resulted from an event occurring while the member was in the actual performance of duty, and if the member is participating in the DROP, the member's surviving spouse or, if the member is then unmarried, the member's unmarried dependent children, may elect within thirty days after the member's death to have the amount in the member's DROP account paid in the form of a monthly survivor annuity. Payment of the survivor annuity shall begin within sixty days after the election is received. Payment to the member's surviving spouse shall continue until the surviving spouse's death; payment to the member's unmarried dependent children shall be made while any child qualifies as an unmarried dependent child pursuant to section 86.280. The survivor annuity shall be the actuarial equivalent of the member's DROP account as of the date of the member's death. In no event shall the total amount paid pursuant to this subsection be less than the member's DROP account balance as of the date of the member's death.
- successor body] **or a member**, any member who has completed ten or more years of creditable service or upon the police retirement system created by sections 86.200 to 86.366 first attaining, after August 28, 2013, a funded ratio, as defined in section 105.660 and as determined by the system's annual actuarial valuation, of at least eighty percent, a member who has completed five or more years of creditable service and who has become permanently unable to perform the duties of a police officer as the result of an injury or illness not exclusively caused or induced by the actual performance of his or her official duties or by his or her own negligence shall be retired by the board of [police commissioners or any successor body] **trustees of the police retirement system** upon certification by the medical board of the police retirement system and approval by the board of trustees of the police retirement system that the member is mentally or

physically unable to perform the duties of a police officer, that the inability is permanent or likely to become permanent, and that the member should be retired.

- 2. Once each year during the first five years following such member's retirement, and at least once in every three-year period thereafter, the board of trustees may, and upon the member's application shall, require any nonduty disability beneficiary who has not yet attained sixty years of age to undergo a medical examination at a place designated by the medical board or such physicians as the medical board appoints. If any nonduty disability beneficiary who has not attained sixty years of age refuses to submit to a medical examination, his or her nonduty disability pension may be discontinued until his or her withdrawal of such refusal, and if his or her refusal continues for one year, all rights in and to such pension may be revoked by the board of trustees.
- 3. If the medical board certifies to the board of trustees that a nonduty disability beneficiary is able to perform the duties of a police officer, and if the board of trustees concurs on the report, then such beneficiary's nonduty disability pension shall cease.
- 4. If upon cessation of a disability pension under subsection 3 of this section, the former disability beneficiary is restored to active service, he or she shall again become a member, and he or she shall contribute thereafter at the same rate as other members. Upon his or her subsequent retirement, he or she shall be credited with all of his or her active retirement, but not including any time during which the former disability beneficiary received a disability pension under this section.
- 86.263. 1. Any member in active service who is permanently unable to perform the full and unrestricted duties of a police officer as the natural, proximate, and exclusive result of an accident occurring within the actual performance of duty at some definite time and place, through no negligence on the member's part, shall be retired by the board of [police commissioners or any successor body] **trustees of the police retirement system** upon certification by [one or more physicians of] the medical board that the member is mentally or physically unable to perform the full and unrestricted duties of a police officer, that the inability is permanent or likely to become permanent, and that the member should be retired. The inability to perform the "full and unrestricted duties of a police officer" means the member is unable to perform all the essential job functions for the position of police officer as established by the [board] **chief** of police [commissioners or any successor body].
- 2. No member shall be approved for retirement under the provisions of subsection 1 of this section unless the application was made and submitted [to the board of police commissioners or any successor body] by the chief of police or a member no later than five years following the date of accident, provided, that if the accident was reported within five years of the date of the accident and an examination made of the member within thirty days of the date of accident

by a health care provider whose services were provided through the [board] **chief** of police [commissioners] with subsequent examinations made as requested, then an application made more than five years following the date of the accident shall be considered timely.

- 3. Once each year during the first five years following a member's retirement, and at least once in every three-year period thereafter, the board of trustees may require any disability beneficiary who has not yet attained sixty years of age to undergo a medical examination or medical examinations at a place designated by the medical board or such physicians as the medical board appoints. If any disability beneficiary who has not attained sixty years of age refuses to submit to a medical examination, his or her disability pension may be discontinued by the board of trustees of the police retirement system until his or her withdrawal of such refusal, and if his or her refusal continues for one year, all rights in and to such pension may be revoked by the board of trustees.
- 4. If the medical board certifies to the board of trustees that a disability beneficiary is able to perform the duties of a police officer, then such beneficiary's disability pension shall cease.
- 5. If upon cessation of a disability pension under subsection 4 of this section, the former disability beneficiary is restored to active service, he or she shall again become a member, and he or she shall contribute thereafter at the same rate as other members. Upon his or her subsequent retirement, he or she shall be credited with all of his or her active service time as a member including the service time prior to receiving disability retirement, but not including any time during which the former disability beneficiary received a disability pension under this section.
- 6. If upon cessation of a disability pension under subsection 4 of this section, the former disability beneficiary is not restored to active service, such former disability beneficiary shall be entitled to the retirement benefit to which such former disability beneficiary would have been entitled if such former disability beneficiary had terminated service for any reason other than dishonesty or being convicted of a felony at the time of such cessation of such former disability beneficiary's disability pension. For purposes of such retirement benefits, such former disability beneficiary shall be credited with all of the former disability beneficiary's active service time as a member, but not including any time during which the former disability beneficiary received a disability beneficiary pension under this section.
- 86.270. 1. Any determination of whether a member is disabled under the provisions of section 86.257 or 86.263 shall consist of an investigation of the member's physical and mental condition by the medical [director] **board** of the police retirement system [and all physicians appointed by the medical director] under the provisions of section 86.237 and an investigation by the board of trustees of the police retirement system of any other matter relevant to determine

whether the member satisfies the applicable requirements of section 86.257 or 86.263. The board of trustees may authorize the use of staff of the police retirement system and other persons not employed by the police retirement system to assist in its investigation. The board of trustees of the police retirement system and the medical [director] **board** of the police retirement system and any such physicians appointed by the medical [director] **board** under the provisions of section 86.237 may communicate with each other as to matters relevant to determine whether the member satisfies the applicable requirements of section 86.257 or 86.263.

- 2. The board of trustees shall require each member who applies for disability benefits and any disability beneficiary to be reexamined under the provisions of section 86.257 or 86.263 to undergo medical examinations at places designated by the medical [director] **board** and any physicians appointed by the medical [director] **board** under the provisions of section 86.237. [The examination shall be made by the medical director or by any physicians appointed by the medical director under the provisions of section 86.237.]
- 86.320. 1. The board of trustees shall certify to the [board] **chief** of police [commissioners and the board of police commissioners] **who** shall cause to be deducted from the salary of each member on each and every payroll for each and every pay period, seven percent of the compensation of each member who is not participating in the DROP, including each member whose participation in the DROP has ended and who has returned to active participation in the system pursuant to section 86.251, and zero percent of the compensation of each member who is participating in the DROP or whose participation in the DROP has ended but who has not returned to active participation in the system pursuant to section 86.251.
- 2. The deductions provided for in this section shall be made notwithstanding that the minimum compensation provided by law for any member shall be reduced thereby. Every member shall be deemed to consent to the deductions made and provided for in this section, and shall receipt for the member's full salary or compensation and payment of salary or compensation less such deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for services rendered during the period covered by the payment except as to benefits provided by sections 86.200 to 86.366. The [board] chief of police [commissioners] shall certify to the board of trustees on each and every payroll or in such other manner as the board of trustees shall prescribe the amount deducted, and such amounts shall be paid into the system and shall be credited together with members' interest thereon to the individual account of the member from whose compensation such deduction was made.
- 3. The board of trustees is authorized to grant additional benefits for such parts of contributions as were made prior to the adoption of the seven-percent rate for all members which were in excess of the compulsory contributions required of each member.