

ORDINANCE #65593
Board Bill No. 6
Committee Substitute

An ordinance pertaining to the Firefighter's Retirement System; repealing Section Four of Ordinance 63591 and enacting a new section pertaining to the same subject matter to be known under the same section numbers and Chapter of the Revised Code of the City of St. Louis.

BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. Section Four of Ordinance 63591 is hereby repealed and a new section is enacted to read as follows:

4.18.131 1. The board may develop and establish a deferred retirement plan program (DROP) which may include a self-directed program, in which members eligible for retirement may participate. The DROP program shall be designed to allow members with at least twenty years of creditable service who have achieved eligibility for retirement and receipt of a service retirement allowance to continue active employment and defer receipt of the retirement allowance for a period not to exceed five years. Any member who has at least twenty years of creditable service may elect in writing before retirement to participate in the DROP program. A member electing to participate in the DROP program shall continue in active employment and shall not receive any direct retirement allowance payments during the time of participation. Upon the start of participation in the DROP program, the member shall make the contributions as provided in section 87.295. No contribution shall be required by the city. During the period of participation in the DROP program, the amount that the member would have received as a service retirement allowance shall be deposited monthly in the member's DROP account which shall be established in his or her name by the board. Service earned during the period of participation in the DROP program shall not be creditable service and shall not be counted in determination of any service retirement allowance.

2. If a member who has elected to participate in the DROP program chooses to stop participation in the DROP program, he or she shall notify the board in writing. Upon receipt of notice of a member's desire to end participation in the DROP program, the board shall return the member to non-DROP participation status and both the member and the city shall make the contributions required by sections 87.120 to 87.370. Service rendered after restoration of the member to non-DROP participation status shall be counted as creditable service. No member ending participation in the DROP program and returning to non-DROP participation status shall make any withdrawal from his or her DROP account until after termination of employment. If after return to non-DROP participation status, a member retires, the member's retirement allowance shall be computed on the combination of the member's pre-DROP service retirement allowance plus an additional allowance earned by a member after returning to non-DROP participation status. Post-DROP participation years of service will be the only years used in computing the additional allowance; however total years of creditable service will be used to determine the appropriate level of additional allowance, two percent or five percent, for each year of post-DROP participation service. Upon retirement the member shall receive additional benefits as provided under the provisions of sections 87.120 to 87.371 plus the amount which has accumulated in his or her DROP account. The amount in the member's DROP account shall be payable, at the member's option, either as a lump sum payment or as a periodic payment calculated according to a deferred payment plan established by the board.

3. A member who terminates employment after participation in the DROP program may withdraw any amount in his or her DROP account in a lump sum or according to a deferred payment plan established by the board at his option. If the member is eligible to receive a service retirement allowance, benefit payment shall begin at the time specified in sections 87.120 to 87.370.

4. If a member dies prior to termination of employment while participating in the DROP program, the funds in his or her DROP account shall be payable to the member's designated beneficiary under either of the following options:

(1) lump sum payment equal to the amount in the member's DROP account shall be paid to the beneficiary or the member's estate. The benefits for a beneficiary provided under the provisions of sections 87.120 to 87.370 shall be based on the member's compensation and creditable service prior to the member's election to participate in the DROP program; or

(2) The beneficiary shall waive any right, claim or interest in the member's DROP account and any benefits payable to the beneficiary under the provisions of sections 87.120 to 87.370 shall be calculated as if the member had continued as an employee and had not elected to participate in the DROP program. Any funds in a DROP account which has been waived as provided in this subdivision shall become funds of the system.

5. If a member who has elected to participate in the DROP program subsequently applies for and receives benefits for an

accidental disability retirement allowance under the provisions of section 87.205, the member shall forfeit all rights, claims or interest in his or her DROP account and the member's benefits shall be calculated as if the member had continued in employment and had not elected to participate in the DROP program. Any funds in a DROP account which has been forfeited as provided in this subsection shall become funds of the system.

6. Except in the case of any self-directed program, a member's DROP account shall earn interest equal to the percentage rate of return of the system's investment portfolio as certified annually by the system's actuary in the yearly evaluation report. Except in the case of any self-directed program, the interest shall be credited annually to the member's account beginning with the start of the second fiscal year of participation.

7. No member may elect to participate in the DROP program more than once.

Approved: July 29, 2003