

# *St. Louis City Ordinance 64942*

FLOOR SUBSTITUTE

BOARD BILL NO. [00] 14

INTRODUCED BY ALDERMAN KENNETH JONES, STEPHEN GREGALI

An ordinance pertaining to the Employees Retirement System of the City of St. Louis amending Ordinance 64833, approved December 29, 1999 by repealing Section Two of said ordinance and enacting a new Section Two and adding one new section pertaining to a deferred retirement option plan.

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

SECTION ONE. Section Two of Ordinance No. 64833 is hereby repealed and enacted in lieu thereof is the following:

## DEFINITIONS

The following words and phrases as used in this ordinance shall have the following meaning, unless a different meaning is plainly required by the context.

### 1. Accumulated contributions.

“Accumulated contributions” means the sum of all amounts deducted from the compensation of a member and credited to the fund together with interest thereon.

### 2. Actuarial equivalent.

“Actuarial equivalent” means a benefit of equal value when computed upon the basis of such mortality tables and interest rate as shall be adopted by the Board of Trustees.

### 3. Appointing authority.

“Appointing authority” means any person or group of persons having power by law or ordinance, or by lawfully delegated authority to make appointments to any position in the City service.

### 4. Beneficiary.

“Beneficiary” means any person in receipt of a benefit from the Retirement System as a result of the death of a member or retiree.

5. Benefit compensation base.

“Benefit compensation base” means the amount of annual compensation with respect to which old age and survivor's insurance benefits would be provided to the member under the Social Security Act in effect on the date the benefit compensation base is determined. The benefit compensation base shall be computed for each member on the earlier to occur of

(a) his normal service retirement date, or (b) the date of termination of his employment. The benefit compensation base shall be determined as though for each year prior to and including the year of computation the member's annual compensation was at least equal to the maximum amount of earnings subject to tax in each year under the Federal Insurance Contributions Act, and for each year after the date of computation until the member's normal service retirement date, his annual compensation is equal to the maximum amount of earnings subject to tax in the year of computation under the Federal Insurance Contributions Act.

6. Board of Trustees.

“Board of Trustees” means the board provided for in this ordinance to establish policy and rules for the administration of the Retirement System.

7. Compensation.

“Compensation” means the basic wage or salary paid an employee for any period excluding bonuses, overtime pay, expense allowances and other extraordinary compensation.

8. Creditable service.

“Creditable service” means the period of service which is creditable in accordance with Section Four of this ordinance.

9. DROP.

“DROP” means the deferred retirement option plan provided for in this ordinance.

10. Employee.

“Employee” means any appointive or elective employee of an employer, whether performing city or county functions, except those employees remunerated at hourly rates, per performance rates, or employees in training positions as determined by the Department of Personnel of the City, or members of other Retirement Systems established by ordinance and/or state statute, or part-time employees on less than a half-time basis are excluded. In case of doubt as to whether any person is an employee within the meaning of this ordinance, the decision of the Board of Trustees shall be final.

11. Employer.

“Employer” means the City as a city and as a county, any public utility owned by the City, the Retirement System, or any administrative board or board of control organized and existing under the general laws of the state for the purpose of furnishing library services or maintaining and operating an art museum or a zoological park or similar public service to the inhabitants of the City, which elects to participate in this Retirement System.

12. Final average compensation.

“Final average compensation” means the average annual compensation received by a member for the two consecutive years of creditable service in which the highest compensation was received preceding the termination of his employment. If a member has less than two consecutive years of creditable service then his final average compensation shall be the average compensation received by him during the number of his consecutive years of creditable service prior to such date.

13. Medical board.

“Medical board” means the Board of Physicians provided for in this ordinance.

14. Member.

“Member” means a member of the Retirement System as defined by Section Three of this ordinance.

15. Operative date.

“Operative date” means the date this Retirement System becomes operative for an employer; and, as to the City as an employer, the operative date shall be April 1, 1960.

16. Pension.

“Pension” means the annual payments for life which shall be payable in equal monthly installments to a retiree or to a beneficiary, including a full monthly payment for the month in which the death of the retiree or beneficiary occurs.

17. Retiree.

Retiree means a member who has retired and is entitled to benefits from the Retirement System.

18. Retirement System.

“Retirement System” means the Employees Retirement System of the City as authorized under an act of the 70th General Assembly of the State known as Senate Bill 329, and as set forth in this ordinance.

19. Service retirement date.

“Service retirement date” means the date of actual retirement of a member for reasons other than disability.

20. Spouse.

“Spouse” means the spouse of a member at the date of his retirement or at the date of his death if he dies before retirement.

21. Gender.

Masculine pronouns include the corresponding pronoun of the feminine gender unless otherwise qualified by the context.

## SECTION TWO.

A. The Board of Trustees shall develop and establish a deferred retirement plan program (“DROP”) in which member eligible may participate. The DROP program shall be designed to allow members who have achieved eligibility for retirement to continue active employment and defer receipt of the retirement allowance for a period not to exceed five years. A member who is eligible for retirement may elect in writing prior to 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 period of participation. During the period of participation

in the DROP program, the amount that the member would have received as a retirement benefit shall be deposited monthly in the member's DROP account which shall be established in his or her name by the Board of Trustees. 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 retirement allowance.

B. 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 of Trustees in writing at least thirty days in advance. Upon receipt of notice of a member's desire to end participation in the DROP program, the Board of Trustees shall return the member to non-DROP participation status. 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 creditable service plus any additional service earned by the member after returning to non-DROP participation status. Upon retirement the member shall receive the retirement benefits provided by ordinance plus the amount which has accumulated in his or her DROP account along with accrued interest. A member's DROP account shall not be adjusted for any cost of living increases during the member's participation in the DROP program.

C. A member's DROP account shall earn interest at the actuarial valuation rate of return as determined by the Board of Trustees. The interest shall be credited annually to the member's account beginning with the start of the second fiscal year of participation.

D. A member who terminates employment after participation in the DROP program may, at his option withdraw any amount in his or her DROP account in a lump sum or according to a deferred retirement payment plan established by the Board of Trustees.

E. 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 or if no beneficiary is designated to the member's estate.

F. If a member dies after termination of employment and while receiving the amount in his or her DROP account according to a deferred retirement payment plan established by the Board of Trustees, the funds remaining in his or her DROP account, plus accrued interest, shall be payable as a lump sum to the beneficiary designated by the member to the Board of Trustees or, if the beneficiary predeceases the member or there is no designated beneficiary then to the member's estate.

G. No member may elected to participate in the DROP program more than once.

**SECTION THREE**

The sections of this ordinance shall be severable. In the event any section of this ordinance is found by a court of competent jurisdiction to be unconstitutional, the remaining sections of this ordinance are valid, unless the court finds the valid sections of this ordinance are so essentially and inseparably connected with, and so dependent upon, the void section(s) that it cannot be presumed that the Board of Aldermen would have enacted the valid sections without the void one(s); or unless the court finds that the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

<b>Legislative History</b>				
<b>1ST READING</b>	<b>REF TO COMM</b>	<b>COMMITTEE</b>	<b>COMM SUB</b>	<b>COMM AMEND</b>
04/28/00	04/28/00	PE		
<b>2ND READING</b>	<b>FLOOR AMEND</b>	<b>FLOOR SUB</b>	<b>PERFECTN</b>	<b>PASSAGE</b>
05/26/00			06/02/00	06/02/00
<b>ORDINANCE</b>	<b>VETOED</b>	<b>VETO OVR</b>	<b>SIGNED BY MAYOR</b>	
64942			06/12/00	