

## **Police Retirement System – Summary Plan Description as of October 2021**

This Summary Plan Description is intended only to describe select key provisions contained within the Plan Document for the Police Retirement System of St. Louis, and is not intended to serve as a comprehensive compendium of all provisions of the Plan Document. The full and complete text of all such provisions in the Plan Document is contained in Sections 86.200 to 86.366 of the Missouri Revised Statutes.

### **Effective Date and Plan Year**

The Plan was established on October 1, 1929, under the provisions of what are now Sections 86.010 to 86.193 inclusive, of the Missouri Revised Statutes.

The Alternative Police Retirement System of St. Louis was established on October 1, 1957, under the provisions of Sections 86.200 to 86.366 inclusive, of the Missouri Revised Statutes.

### **Participation**

All persons who are or were police officers in the City of St. Louis (except Airport Police officers) become members as a condition of their employment.

### **Employer Contributions**

The City of St. Louis makes annual contributions, which together with the contributions of the members, are sufficient to provide for the benefits payable by the System.

The City also contributes the amount needed, in addition to the existing assets of the former Police Pension Fund Association and Police Retirement System, to continue the benefits granted by the former system which were in force at the establishment of the new system and to pay certain additional pensions to surviving spouses of members who had belonged to the former systems and who were previously on the pension payroll of the former systems.

### **Participant Contributions**

Members contribute at the rate of 7% of their compensation. The Board of Trustees shall annually determine the interest rate to be credited on members' contributions.

### **Service Considered**

Creditable Service at retirement shall consist of service rendered by the member as a police officer since last becoming a member, plus any prior service certified on a prior service certificate. No service is included for periods that a member participates in DROP.

### **Compensation Considered**

The annual salary that a member earns based on the member's rank or position as defined in the applicable salary matrix, plus additional compensation for academic work and shift differential. Earnable compensation shall not include overtime, standby time, court time, non-uniform time, or unused vacation time.

### **Average Annual Compensation**

The average earnable compensation of the member during the member's last two years of creditable service.

### **Normal Retirement Age**

Effective August 1, 1979, a member may retire upon completion of 20 years of service, regardless of age, or upon attainment of age 55. Retirement is compulsory at age 65. Upon request of the Chief (Commissioner) of Police, the Board of Trustees may permit a member to defer retirement up to one year at a time.

### **Normal Retirement Benefit (Service Retirement Allowance)**

The monthly retirement allowance consists of 2% of the Average Annual Compensation for each year of service up to 25 years, plus 4% of such Average Annual Compensation for each additional year of service up to five additional years. Upon completion of at least 30 years of

service, the monthly retirement allowance will be 75% of the Average Annual Compensation.

Retirement allowances will be increased up to 3% annually. The annual increase is limited to the lesser of 3% or the increase in the Consumer Price Index City Average (CPI) for all urban consumers for the 12-month period ending in June (four months prior to the beginning of the Plan Year). Historical cumulative increases in the CPI in excess of the 3% annual limit may be added to the current year increase when necessary to bring the current year increase up to the 3% limit. Cumulative increases for retirees and surviving spouses cannot exceed 30%.

### **Disability Benefit**

#### *Service-Connected Accidental Disability*

Upon the occurrence of disability due to causes resulting from an accident in the actual performance of duty, regardless of the age or length of service of the member, a member is eligible to receive a retirement allowance equal to 75% of his Average Annual Compensation. At the discretion of the Board of Trustees, if the member is unable to perform any work of any kind, he may receive an annual pension not to exceed his annual compensation at the date of disablement. In addition, an allowance may be granted to cover surgical, medical, and hospital expenses resulting from the accident.

#### *Ordinary Disability*

Upon the occurrence of a disability due to causes that are not the result of an accident in the actual performance of duty, a member who has completed five years of Creditable Service is eligible to receive a retirement allowance.

In the event of ordinary disability before being eligible for service retirement, a member receives a retirement allowance of 90% of his accrued service retirement allowance. The minimum allowance payable is 25% of his Average Annual Compensation. An additional 15% of his Average

Annual Compensation is paid for each unmarried dependent child under age 18. If disabled after eligibility for service retirement, the service retirement is still payable.

### **Death Benefit**

#### *Ordinary Death*

Upon the death of a member in service which is not the result of an accident in the actual performance of duty, a benefit is paid to the member's dependents.

The surviving spouse receives an annuity after the member's death of 40% of the Average Annual Compensation of the deceased member plus 15% additional for each unmarried dependent child under age 18. If no surviving spouse, the benefit is shared by the dependent children, but not more than one-half of the surviving spouse's benefit shall be paid for one child. If no surviving spouse or dependent children, accumulated member contributions are returned to the designated beneficiary.

#### *Accidental Death*

Upon the death of a member as a result of an accident in the actual performance of duty, a benefit is paid to the member's dependents. The surviving spouse receives an annuity after the member's death of 75% of the Average Annual Compensation of the deceased member plus 15% additional for each unmarried dependent child under age 18. If no surviving spouse, the benefit is shared by the dependent children, but not more than one-half of the surviving spouse's benefit shall be paid for one child. If no surviving spouse or dependent child, an amount equal to the surviving spouse's benefit is paid to a dependent father or mother of a deceased member until remarriage or death.

#### *Death Benefit after Retirement*

Upon the death of a member retired from service, ordinary disability or accidental disability, the surviving spouse receives an annuity after the

member's death of 40% of the deceased member's Average Annual Compensation plus an additional 15% for each unmarried dependent child under age 18. If there is no surviving spouse, the entire death benefit is shared by the dependent children, but one child may not be paid more than one-half of the surviving spouse's benefit. The surviving spouse of a service retiree will receive an increase of up to 3% annually, subject to the same conditions as the increases to service retirees.

If a member, retired because of the accidental disability, dies before receiving benefits for five years, the surviving spouse receives an additional pension of 10% of the deceased member's Average Annual Compensation.

#### **Disabled Child Over Age 18**

Whenever benefits are provided for an unmarried dependent child under age 18, such child who was disabled prior to age 18 will receive benefits after age 18 as long as disabled and not confined to a public institution.

#### **Student Benefits Ages 18 to 22**

Whenever benefits are provided for an unmarried dependent child under age 18, such child may receive benefits through age 22 as long as he or she remains a full-time student in an accredited college or similar level institution.

#### **Special Consultant Benefits**

Any retiree or any surviving spouse of a retiree or active member whose benefit is less than \$650 per month upon application will be employed by the Board of Trustees and paid a consultant's benefit such that his or her total benefit will equal \$650.

#### **Special Advisor Benefits**

Any retiree or any surviving spouse who is older than age 60 can become a special advisor and be eligible for an additional benefit equal to \$10 per month for each full year over age 60.

#### **Return of Contributions**

Upon service retirement or death while active or upon disability due to an accident in the actual performance of duty or ordinary disability, contributions without interest are refunded. Upon the withdrawal from service of a member prior to retirement, the entire amount of the member's contributions with interest accumulation is returned to the member. If at the termination of all benefits with respect to a member, the total of all benefit payments to date is less than the member's accumulated contributions at retirement or prior to death, the difference is paid to his or her beneficiary, or if no such beneficiary is living, to the estate of the beneficiary last entitled to benefits. Upon death, member contributions are returned to the surviving spouse of the member who died prior to receiving a refund of their contributions.

#### **Form of Payment**

There are no optional forms of payment; automatic survivor benefits are paid to all members.

#### **Deferred Retirement Option Plan (DROP)**

Any member who has at least 20 years of service or has attained the age of 55 may elect to participate in the DROP. A member electing to participate in the DROP will continue in active employment and will not receive any direct retirement allowance payments during participation in the DROP. No one may participate in the DROP for a period exceeding five years.

Upon the start of the participation in the DROP, the member's contributions will cease. 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 retired, is deposited monthly in the member's DROP account. A member's DROP account earns interest equal to the rate of return (which may be positive or negative) earned by the System's investment portfolio (net of investment expenses)

during the prior plan year on a market value basis, beginning in the first plan year after the member begins DROP participation. The DROP account is paid in a lump sum or a series of 120 monthly installments when a member retires; if the option for payment of monthly installment payments is chosen, any unpaid balance in the DROP account continues to earn interest equal to the rate of return in the same manner as previously stated.

The member's service retirement allowance is not adjusted for any cost-of-living increases for any period prior to the member's retirement. Service earned during the period of participation in DROP is not creditable service and is not counted in the determination of any service retirement allowance or surviving spouse's or dependents' benefits. A member who has elected to participate in DROP may re-enter the System.

Upon re-entry, a member is no longer eligible to participate in the DROP and will be required to make contributions of 7% of compensation. If the member remains active for at least two years following re-entry and retires, or if the member terminates due to death or disability at any time following re-entry, the member's benefit upon retirement will be based on creditable service and Plan provisions in effect at retirement. If the member terminates other than due to death or disability within two years following re-entry, the member's benefit upon retirement will be equal to the member's benefit at the time of entry into DROP plus any benefit accruals since re-entry. Additional benefit accruals will be based on the member's Average Annual Compensation earned while in DROP and Plan provisions in effect at retirement.

The member's contributions without interest will be paid to the member upon retirement or to the member's surviving spouse if the member dies before retirement.

The above summary is not intended to serve as a legal document or substitute for the law. In all

circumstances the language of the actual text of the law and the policies adopted by the Police Retirement System Board of Trustees will take precedence. Copies of sections 86.200 to 86.366 of the Missouri Revised Statutes, which govern the Police Retirement System of St. Louis, are available on our website at [www.stlouisprs.org](http://www.stlouisprs.org) under the link titled "Benefits" or upon request at the PRS Office.