

History of Changes - Police Retirement System of Kansas City, Missouri

1946

- Police Retirement System of Kansas City created by Missouri General Assembly.

1947

- Creditable service under certain conditions for military service prior to 1940.

1951

- Eliminated probationary waiting period to join Police Retirement System.
- Established service connected death benefit of \$5000.
- Actuarial valuations required every 5 years after 1956.

1955

- Final Average Salary (FAS) calculated over highest 10 years of service.
- Established duty disability retirement equal to 50% of FAS.
- Mandatory 30 year retirement at 50% of FAS.
- Established surviving spouse benefit equal to 25% of FAS.
- Members with less than 30 years of service eligible for retirement benefit at age 60 under certain conditions.
- Established Medical Board along with procedures for processing disability retirement.
- Established funeral benefit of \$200.
- Increased service connected death benefit to \$7,500.
- Established surviving child benefits at \$15 per month up to age 16.

1957

- FAS calculated over highest 5 years of service.
- Established optional retirement at 25 years of service.
- Increased multiplier to 2.0%.
- Increased mandatory 30 year retirement benefit to 60% of FAS.
- Established retirement at age 55 with 15 years of service.
- Established non-duty disability retirement with 10 years of service.
- Duty disability retirement increased to 60% of FAS.
- Surviving child's benefits increased to \$25 per month up to age 18.
- Members who returned to active service with 5 years prior service granted the option to restore prior service.

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1967

- Retirement Board authorized to invest up to 20% of total assets in stock market.

1968

- Board of Police Commissioners and City shall agree on employer contribution rate. In no event shall city contributions be less than 12%.

1972

- FAS calculated over highest 3 years of service.
- Increased surviving spouse benefits to 40% of FAS.
- Established Cost of Living Adjustment (COLA) of up to 3% for members retiring after August 13, 1972. Consumer Price Index used to determine percentage adjustments.
- Increased service connected death benefit to \$20,000.
- Stock market investments could be up to 50% of total assets.

1974

- Added Financial Counselors Inc. as fixed income and domestic stock manager.

1977

- COLA lawsuit settled and first COLA paid to members who retired after August 1972.

1985

- Authorized annual COLA for members retired prior to August 1972 and surviving spouses.
- Member and employer contribution rates determined by actuarial valuation. In no event shall member contributions be less than 6%.
- Eliminated workers compensation offset on service connected death benefit.

1987

- FAS calculated over highest 2 years of service.
- Retired member COLA's pass on to surviving spouse.
- Increased surviving child benefit to \$50 per month.
- Increased funeral benefit to \$1000.

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1990

- Eliminated restrictions on amount of total assets that can be invested in the stock market and other investment vehicles.

1991

- Increased Retirement Board membership from 7 to 9 by increasing the number of elected members from 3 to 5. Designated seats were established for a retired member of the Police Retirement System, an active member of the Police Retirement System below the rank of Sergeant and a member of the Civilian Employees' Retirement System.
- Established supplemental benefit at \$50 per month for retired members and surviving spouses.

1994

- Added GE Asset Management as international equity manager.

1995

- Members allowed to purchase up to two years of prior military service.

1997

- Eliminated two year marriage provision for eligible surviving spouse.
- Return member contributions in lump sum rather than 12 monthly payments.

1999

- \$600 minimum in combined retirement and supplemental benefit for those members retired with minimum 25 years of service or duty disability and their eligible surviving spouse.
- Members eligible for retirement at age 60 with 10 years of service.
- Increased benefit for surviving spouse of retired member to 80% of member benefit at the time of death.
- Surviving spouse eligible to vote in Retirement Board election.
- Added Waddell & Reed as small cap growth manager.

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2000

- Increased multiplier for the first time since 1957 from 2.0% to 2.5%.
- COLA increases up to 3% without regard for Consumer Price Index.
- Surviving spouses permitted to remarry without loss of benefits.
- \$600 minimum retirement without reduction for supplemental benefit.
- Added RCM and JP Morgan as large cap growth managers.
- Added Neuberger Berman as large cap value manager.
- Added Northern Trust as Custodial bank replacing Bank of New York.

2001

- Increased duty disability retirement to 75% of FAS.
- Non-duty disability retirement calculated using 2.5% multiplier.
- Members with 15 or more years of service separating after August 2001 eligible for retirement benefit calculated using 2.5% multiplier.
- Limited surviving spouse benefit for those entitled to multiple surviving spouse benefits to the largest qualified benefit.
- Added Systematic as small cap value manager.

2002

- Added Gabriel Roeder Smith & Co. (GRS) as actuarial consultants replacing Mercer.

2003

- IRS Qualification and pre-tax member contributions.
- Partial Lump-sum Option Payments (PLOP).
- Tax free rollover provisions for refunds of member contribution.
- Retirement Board authorized to establish Early Retirement Incentive Plan.
- Added LSV and Vontobel as large cap value managers replacing Neuberger Berman and JP Morgan.
- Started retirement education seminars and access to financial planning assistance.

2005

- Complete revision of the statutes governing both plans to organize them in a similar manner and make them easier to understand. The new statutes for the Police Plan are sections 86.900 to 86.1280 RSMo.
- Added Prudential as a real estate manager.
- Added Abbott Capital as a private equity manager.

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2006

- Provided creditable service under certain conditions for military leave of absence without requiring member contributions.
- Added JP Morgan as private equity manager.
- Added LSV as an international fund manager.

2007

- Retirement Board authorized to grant Equalizing Supplemental Benefit to certain members and surviving spouses starting at \$10 per month provided plan remains actuarially sound.
- Added Milliman as actuarial consultants replacing GRS.
- Added GE and LSV as emerging markets managers
- Added Northern Trust as large cap growth index manager replacing Vontobel.

2008

- Required members to be in active status to be eligible for a duty or non-duty disability retirement.
- Added Gresham as commodity fund manager.

2009

- \$600 minimum pension for members retired on a non-duty disability and eligible surviving spouses of members who died while in service.
- Added Vaughan Nelson as small cap value manager replacing Systematic.
- Added Shenkman as high yield bond fund manager.

Police Retirement System Cost of Living Adjustments

Year	Percent	Year	Percent	Year	Percent	Year	Percent
		1980	3%	1990	3%	2000	3%
		1981	3%	1991	3%	2001	3%
1972	0%	1982	3%	1992	3%	2002	3%
1973	0%	1983	3%	1993	2.4%	2003	3%
1974	0%	1984	3%	1994	3%	2004	3%
1975	0%	1985	3%	1995	2.4%	2005	3%
1976	0%	1986	3%	1996	3%	2006	3%
1977	3%	1987	0%	1997	3%	2007	3%
1978	3%	1988	3%	1998	2.6%	2008	3%
1979	3%	1989	3%	1999	0.9%	2009	3%

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Police Retirement System Monthly Supplemental Benefit

Year	Increase	Total
1991	\$50	\$50
1992	\$20	\$70
1993	\$10	\$80
1994	\$10	\$90
1995	\$50	\$140
1996	\$40	\$180
1997	\$50	\$230
1998	\$40	\$270
1999	\$110	\$380
2000	\$40	\$420

Police Retirement System Contribution Rates

Year	Member Contributions	Year	Employer Contributions
1946	4% or \$10/month	1946	6.00%
1951	4% or \$12/month	1955	10.00%
1955	5.00%	1968	12.00%
1968	6.00%	1972	13.00%
1972	7.00%	1980	14.00%
1980	8.00%	1981	15.00%
1981	9.00%	1982	16.00%
1987	9.55%	1987	17.00%
2000	10.55%	1988	18.00%
		1989	19.00%
		1990	20.00%
		1991	20.60%
		2001	19.70%