

ORDINANCE NO. 3432

SUBJECT: Repealing sections 1503.1, 1503.26, 1504., 1505., 1512., 1513., and 1550., Jackson County Code, 1984, relating to the Jackson County Employees' Pension Plan, and enacting, in lieu thereof, six new sections and three new subsections relating to the same subject.

INTRODUCED: October 27, 2003  
(Finance & Audit)

ADOPTED: November 3, 2003

SIGNED BY EXECUTIVE: November 5, 2003

**IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI**

**AN ORDINANCE** repealing sections 1503.1, 1503.27, 1504., 1505., 1512., 1513., and 1550., Jackson County Code, 1984, relating to the Jackson County Employees' Pension Plan, and enacting, in lieu thereof, six new sections and three new subsections relating to the same subject.

**ORDINANCE 3432**, October 27, 2003

**INTRODUCED BY** Dennis Waits, Fred Arbanas, Scott Burnett, Dan Tarwater, Bob Spence and Ronald E. Finley, County Legislators

WHEREAS, it is appropriate that the Jackson County Employees' Pension Plan be amended so as to provide a separate benefit structure for the County's elected officials; and,

WHEREAS, this amendment is in the best interests of the health, safety, and welfare of the citizens of Jackson County; now therefore,

BE IT ORDAINED by the County Legislature of Jackson County, Missouri, as follows:

Section A. Enacting Clause. Sections 1503.1, 1503.27, 1504., 1505., 1512., 1513., and 1550. are hereby repealed and six new sections and three new subsections enacted in lieu thereof, to be known as sections 1503.1, 1503.24, 1503.27, 1504., 1505., 1512., 1513., 1523., and 1550., to read as follows and with existing subsections of section 1503. to be renumbered accordingly:

1503.1 Accrued Benefit.

[The term "Accrued Benefit" shall mean the Monthly Pension Income that a Member has "accrued" as of any date payable in the basic form commencing on his Normal Retirement Date. The "Accrued Benefit" as of any date shall be equal to the amount calculated under Section 1512.1 but shall in no event be less than the amount calculated under section 1512.2 and if applicable, reduced by the amount under Section 1503.46.]

The term "Accrued Benefit" shall mean the Monthly Pension Income that a Member has "accrued" as of any date payable in the basic form commencing on his Normal Retirement Date. The "Accrued Benefit" as of any date shall be equal to the amount calculated under section 1512., but only to the extent that the Member is Vested.

1503.24 Elected Official.

The term "Elected Official" shall mean the County Executive, Prosecuting Attorney, Sheriff, and each member of the County Legislature, without regard to whether such official was initially elected or appointed to office.

1503. 2[6] 7. Employee.

[The term "Employee" shall mean any current or future full-time Employee of the Employer who is paid, in whole or in part, by the Employer (including any Employee holding elective or appointive office) but shall not include:

- (a) any person holding an honorary or unpaid office;

(b) any person employed or retained exclusively on a fee, commission or per diem basis;

(c) any Employee whose employment is seasonal or temporary;

(d) any Employee whose customary employment is for not more than twenty (20) hours a week or not more than five (5) months in any calendar year;

(e) circuit judges, associate circuit judges, court reporters, and Employees of the Circuit Court of Jackson County, Missouri, whose compensation is paid by the State of Missouri; or

(f) any Employee who is covered by another retirement plan to which the Employer makes contributions (other than the Federal Social Security system);

The term "Employee" shall also include any current or future full-time Employee of the Little Blue Valley Sewer District, the Kansas City Board of Election Commissioners, the Jackson County Board of Election Commissioners, the Jackson County Sports Complex Authority, the Jackson County Law Library, Inc., and, effective June 1, 1990, Employees of the Eastern Jackson County Multi-Jurisdictional Anti-Drug Task Force.]

The term "Employee shall mean any current or future full-time Employee of the Employer who is paid, in whole or in part, by the Employer including any Employee holding elective or appointive office, but shall not include:

- (a) any person holding an honorary or unpaid office;
- (b) any person employed or retained exclusively on a fee, commission or per diem basis;
- (c) any Employee whose employment is seasonal or temporary;
- (d) any Employee whose customary employment is for not more than twenty (20) hours a week or not more than five (5) months in any calendar year;
- (e) circuit judges, associate circuit judges, court reporters, and Employees of the Circuit Court of Jackson County, Missouri, whose compensation is paid by the State of Missouri; or
- (f) any Employee who is covered by another retirement plan to which the Employer makes contributions (other than the Federal Social Security system).

Notwithstanding the above, the term "Employee" shall also include any current or future full-time Employee of the Little Blue Valley Sewer District, the Kansas City Board of Election Commissioners, the Jackson County Board of Election Commissioners, the Jackson County Sports

Complex Authority, the Jackson County law Library, Inc., effective June 1, 1990, Employees of the Eastern Jackson County Multi-Jurisdictional Anti-Drug Tax Force and, effective January 1, 2004, the Prosecuting Attorney of Jackson County.

1504. Pension Plan Membership.  
[Each Employee who was a participant in the Prior Plan as of December 31, 1976, shall become a Member of this Plan as of January 1, 1977, without further action on his part. On any Anniversary Date, beginning with January 1, 1977, an Employee who is not yet a Member but whose original date of employment as an Employee is at least one (1) year prior to said Anniversary Date shall become a Member on that Anniversary Date. A terminated Member who later resumes his employment with the Employer as an Employee shall become a Member on the Anniversary Date coincident with or immediately following his reemployment date. Notwithstanding the above, an Employee who holds an elective office may elect not to become a Member of the Plan by filing a written "Waiver of Membership" form with the Pension Plan Administration Committee. Each Employee shall be furnished a summary of the Plan when he becomes a Member.]

Each Employee who was a participant in the Prior Plan as of December 31, 1976, shall become a Member of this Plan as of January 1, 1977, without further



action on his part. On any Anniversary Date, beginning with January 1, 1977, an Employee who is not yet a Member but whose original date of employment as an Employee is at least one (1) year prior to said Anniversary Date shall become a Member on that Anniversary Date. A terminated Member who later resumes his employment with the Employer as an Employee shall become a Member on the Anniversary Date coincident with or immediately following his reemployment date. Each Employee shall be furnished a summary of the Plan when he becomes a Member.

1505. Employee Contributions.

[No employee contributions shall be required or permitted under this Plan. The participant contributions under the Prior Plan, together with the interest accumulated thereon, have been distributed to all the participants in the Prior Plan who were employed by the Employer as an Employee on December 31, 1976.]

No employee contributions shall be required or permitted under this Plan, except as provided in Section 1505.1. The participant contributions under the Prior Plan, together with the interest accumulated thereon, have been distributed to all the participants in the Prior Plan who were employed by the Employer as an Employee on December 31, 1976.

1505.1 Employee Contributions by Elected Officials.

Effective January 1, 2004, each Elected Official shall be required to contribute to the Plan four percent (4%) of such Elected Official's Compensation (hereinafter referred to as "Employee Contributions"). The Employer shall, solely for the purpose of compliance with Section 414(h) of the Code, pick-up the Employee Contributions required by this Section and the contributions so picked-up shall be treated as employer contributions in determining tax treatment under the Code and any applicable state tax code. The Elected Official shall have no option to receive the contributed amounts directly instead of having them paid by the Employer to the Plan. Any Elected Official who terminates employment before becoming Vested in the Plan will receive, within 90 days of termination, a lump-sum refund of all Employee Contributions previously made under this section 1505.1, plus interest at five percent (5%) compounded annually. If, at the time benefit payments commence, the difference in the actuarial present value of the benefit under sections 1512.3 and 1512.1 is less than such Elected Official's total Employee Contributions plus interest at five percent (5%) compounded annually thereon, the Elected Official shall receive a lump-sum refund of Employee Contributions (and interest, if applicable) equal to the shortfall, if any.



1512. Pension Income, Calculations.

[When a Member lives to his Normal Retirement Date, he shall be entitled to retire and to receive a Monthly Pension Income in an amount calculated by the Actuary and certified to the Trustee by the Pension Plan Administration Committee. The amount of a Member's Monthly Pension Income under the basic form and payable on his Normal Retirement Date shall be the greater of the amount calculated under Section 1512.1 but in no event less than the amount calculated under Section 1512.2.

1512.1 1.5% Per Year.

An amount equal to 1.5% for each year of credited service times the member's average monthly earnings, but in no event less than fifty dollars (\$50.00).

1512.2 If a Member was a participant in the Prior Plan on December 31, 1976, an amount equal to five-sixths (5/6) percent of the Member's "average monthly earnings" (as hereinafter defined) up to five hundred fifty dollars (\$550.00) plus one and two-thirds (1-2/3) percent of his "average monthly earnings" in excess of five hundred fifty dollars (\$550.00), such sum multiplied by the Member's years of Credited Service.

For the purpose of this Section 1512.2, "average monthly earnings" shall be calculated

in the same manner as Average Monthly Earnings assuming the Member's aggregate Monthly Earnings for calendar year 1976 divided by twelve (12) (or by the number of months during which the Member received compensation from the Employer in 1976, if less) continued, without increase, until his Normal Retirement Date or earlier date of severance of employment.]

When a Member lives to his Normal Retirement Date, he shall be entitled to retire and receive a Monthly Pension Income in an amount calculated by the Actuary and certified to the Trustee by the Pension Plan Administration Committee. For Members other than Elected Officials, the Monthly Pension Income under the basic form and payable on his Normal Retirement Date shall be the amount calculated under section 1512.1, but in no event less than the amount calculated under section 1512.2. For Elected Officials, the Monthly Pension Income under the basic form and payable on his Normal Retirement Date shall be the greater of the amount provided in the above sentence or the amount provided in section 1512.3.

1512.1 1.5% Per Year.

An amount equal to one and one-half percent (1.5%) for each year of Credited Service times the Member's Average Monthly Earnings, but in no event less than fifty dollars (\$50.00).

1512.2 If a Member was a participant in the Prior Plan on December 31, 1976,

an amount equal to five-sixths (5/6) percent of the Member's "average monthly earnings" (as hereinafter defined) up to five hundred fifty dollars (\$550.00) plus one and two-thirds (1-2/3) percent of his "average monthly earnings" in excess of five hundred fifty dollars (\$550.00), such sum multiplied by the Member's years of Credited Service. For the purpose of this section 1512.2, "average monthly earnings" shall be calculated in the same manner as Average Monthly Earnings assuming the Member's aggregate Monthly Earnings for calendar year 1976 divided by twelve (12) (or by the number of months during which the Member received compensation from the Employer in 1976, if less) continued, without increase, until his Normal Retirement Date or earlier date of severance of employment.

1512.3      Formula for Elected Officials.

An amount equal to four and one-sixth percent (4.167%) of such Elected Official's "compensation" (as hereinafter defined) for each year of Credited Service up to 12 years, plus five percent (5%) of such Elected Official's "compensation" for each year of credited service from 12 to 16 years. In addition, the Elected Official will also receive two hundred dollars (\$200) per month as a health insurance supplement. For purposes of this section 1512.3, the Elected Official's "compensation" will be equal to the monthly compensation of the incumbent of the same office that the Elected Official last held, at the time of the Elected Official's receipt of his first payment under this section. For

purposes of this section 1512.3, Credited Service shall only constitute that period of employment after December 31, 2003, unless such Elected Official has purchased additional Credited Service pursuant to section 1523. Any retirement benefit provided by this section will be reduced (i.e., offset) by any retirement benefits payable under another public pension plan to the extent that such benefits are attributable to service with the Employer. However, no offset will effect the Elected Official's right to the \$200 health insurance supplement under this section.

1513. Pension Income, Effect of Late Retirement.

[If a Member remains in the employ of the Employer after his Normal Retirement Date, no Monthly Pension Income shall be paid until the Member's Late Retirement Date except as provided in Section 1516. At the Member's Late Retirement Date he shall thereupon be entitled to receive a Monthly Pension Income which shall be an amount computed under Section 1512, based upon the Member's Credited Service and Average Monthly Earnings up to his Late Retirement Date.]

If a Member remains in the employ of the Employer after his Normal Retirement Date, no Monthly Pension Income shall be paid until the Member's Late Retirement Date except as provided in section 1516. At the Member's Late Retirement Date he shall thereupon be entitled to receive a Monthly Pension Income that shall be an amount computed under section 1512, based upon the Member's Credited Service and



Average Monthly Earnings, or in the case of an Elected Official, that Elected Official's "compensation" up to his Late Retirement Date.

1523. Purchase of Prior Service Credit.

Those Elected Officials who are in office as of January 1, 2004, may make a one-time irrevocable election to purchase Credited Service for purposes of calculating the Elected Official's Monthly Pension Income under section 1512.3, under the circumstances, terms and conditions provided in this section. The purchase of Credited Service may be made with either pre- tax contributions, such as rollover contributions or plan-to-plan transfers from other retirement arrangements qualified under sections 401(a), 403(a), 403(b), 457(b) or 408 of the Internal Revenue Code, or with after-tax amounts. Any Elected Official who elects to purchase Credited Service under this section must purchase all prior service with the Employer between January 1, 1990, and December 31, 2003. The election must be made no later than March 31, 2004, and must be effected by paying to the Plan the amount the Elected Official would have contributed under section 1505.1 had such member been an employee for the number of years for which the member is purchasing credit, and had the Elected Official's compensation during such period been the same as the Elected Official's annual salary as of December 31, 2003. However, the amount paid to purchase additional credit will not exceed the actuarial value of the credit being purchased, as calculated by the Plan's Actuary. Payment of the amount calculated under this section

must be made by the Elected Official in a single payment (or rollover or transfer) no later than December 31, 2004.

1550. Contributions by the Employer.

[It is the intention of the Employer, but it does not guarantee to do so, to deposit in the Trust Fund not less frequently than annually, the funds actuarially necessary to provide the benefits under the Plan.]

It is the intention of the Employer, but it does not guarantee to do so, to deposit in the Trust Fund not less frequently than annually, the funds actuarially necessary to provide the benefits under the Plan. The Employer shall deposit the Employee Contributions as described in section 1505.1 no less frequently than annually.



Effective Date: This Ordinance shall be effective immediately upon its signature by the County Executive.

APPROVED AS TO FORM:

  
Acting County Counselor

I hereby certify that the attached Ordinance, Ordinance # 3432 introduced on October 27, 2003 was duly passed on November 3, 2003 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 6

Nays 3

Abstaining 0

Absent 0

This Ordinance is hereby transmitted to the County Executive for her signature.

11-4-03  
Date

  
Mary Jo Spino, Clerk of Legislature

I hereby approve the attached Ordinance # 3432.

11-5-03  
Date

  
Katheryn J. Shields, County Executive