



Jackson County Missouri

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Legislation Text

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Finance and Audit
Committee Substitute
February 9, 2009

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

AN ORDINANCE repealing sections 1503., 1540., 1541., 1542., 1543., 1544., 1545., 1546., 1550., 1551., 1552., 1560., 1561., 1562., 1563., and 1588., Jackson County Code, 1984, relating to the County Employees' Revised Pension Plan, and enacting, in lieu thereof, ten new sections relating to the same subject, with a transition provision.

ORDINANCE #4083, February 2, 2009

INTRODUCED BY Scott Burnett, County Legislator

WHEREAS, the Legislature wishes to clarify the duties and responsibilities of the parties involved in governing the Jackson County, Missouri Employees' Revised Pension Plan; and,

WHEREAS, the adoption of an amendment codifying the necessary clarifications is in the best interest of the County employees participating in the Plan; and,

WHEREAS, the adoption of this amendment will more closely align the Plan with the best practices followed by other public employee pension plans; now therefore,

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

Section A. Enacting Clause. Sections 1503., 1540., 1541., 1542., 1543., 1544., 1545., 1546., 1550., 1551., 1552., 1560., 1561., 1562., 1563., and 1588., Jackson County Code, 1984, are hereby

repealed and ten new sections enacted in lieu thereof, to be known as sections 1503., 1540., 1541., 1542., 1543., 1546., 1550., 1552., 1561., and 1597., to read as follows:

1503. Pension Plan, Definitions.

As used herein, the following words and phrases shall have the meanings specified below, unless a different meaning is plainly required by the context, viz.:

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., but only to the extent that the Member is Vested.

1503.2 Actuarial Equivalent.

The term "Actuarial Equivalent" shall mean a benefit of equivalent value, as certified by the Actuary, computed on the basis of the following actuarial assumptions. (Ord. 1353, Eff. 08/01/85; Ord. 2322, Eff. 09/29/94; Ord. 3515, Eff. 07/01/99) Interest - Seven percent (7%) per annum, compounded annually. Mortality - The 1983 Group Annuity Mortality Table blended 50% for males and 50% for females.

1503.3 Actuarial Value.

The term "Actuarial Value" shall mean the single sum value, as certified by the Actuary, of any income benefit, computed on the basis of the following actuarial assumptions. Interest - Seven percent (7%) per annum, compounded annually. Mortality - The 1983 Group Annuity Mortality Table blended 50% for males and 50% for females.

1503.4 Actuary.

The term "Actuary" shall mean a Fellow of the Society of Actuaries or a firm of actuaries at least one of whose members is a Fellow of the Society of Actuaries who has been so enrolled.

The "Actuary" shall be designated by the Board.

1503.5 Anniversary Date.

The term "Anniversary Date" shall mean each January 1st.

1503.6 Annual Additions.

The term "Annual Additions" shall mean the sum of the following amounts credited to a Member's account for the limitation year:

- (a) Employer contributions;
- (b) Employee contributions;
- (c) forfeitures;
- (d) amounts allocated after March 31, 1984, to an individual medical account that is part of a pension or annuity plan maintained by the Employer are treated as Annual Additions to a defined contribution plan. Also, amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, that are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Section 419A(d)(3) of the Code) under a welfare benefit fund are treated as Annual Additions to a defined contribution plan; and
- (e) allocations under a simplified employee pension.

1503.7 Annual Benefit.

The term "Annual Benefit" shall mean a retirement benefit under the Plan which is payable annually in the form of a straight life annuity. Except as provided below, a benefit payable in a form other than a straight life annuity must be adjusted to an actuarially equivalent straight life annuity before applying the limitations of sections 1519 through 1521. The interest rate assumption used to determine actuarial equivalence will be the greater of the interest rate specified in subsection 1503.2 of this Plan or 5 percent. The Annual Benefit does not include any benefits attributable to Employee contributions or rollover contributions, or the assets transferred from a qualified plan that was not maintained by the Employer. No actuarial adjustment to the benefit is required for (a) the value of a qualified joint and survivor annuity, (b) the value of benefits that are not directly related to retirement benefits (such as a qualified disability benefit, pre-retirement death benefits, and post-retirement medical benefits), and (c) the value of postretirement cost-of-living increases made in accordance with section 415(d) of the Code and section 1.415-3(c)(2)(iii) of the Income Tax Regulations.

1503.8 Attained Age.

The term "Attained Age" shall mean, unless clearly indicated to the contrary, the age of an Employee or Member as of his last birthday.

1503.9 Average Monthly Earnings.

The term "Average Monthly Earnings" shall mean the highest average of Monthly Earnings as determined for any thirty-six (36) consecutive months of credited service for the Employer as an Employee during the one hundred twenty (120) months prior to the Member's Disability Retirement Date, Early Retirement Date, Normal Retirement Date, or termination date.

1503.10 Beneficiary.

The term "Beneficiary" shall mean any person or persons)or a trust(designated by a Member in such form and manner as the Board may prescribe to receive a Death Benefit, in the form specified in Sections 1511.1, 1511.2, 1511.3, or 1511.4 payable hereunder if such person or persons survive the Member. Any designation under Sections 1511.1 and 1511.2 may be revoked at any time in similar manner and form.

1503.11 Board of Trustees.

The term "Board of Trustees" or "Board" means the Board of Trustees established pursuant to section 1540 of this chapter.

1503.12 Code.

The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

1503.13 Compensation.

The term "Compensation" shall mean wages, as defined in Code section 3401(a), and all other payments of Compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under sections 6041(d) and 6051(a)(3) of the Code. Compensation must be determined without regard to any rules under Code section 3401 (a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code section 3401(a) (2)). For Limitation Years beginning after December 31, 1991, for purposes of applying the limitations of section 1519. through 1521. Compensation for a Limitation Year is the Compensation actually paid or made available during such Limitation Year.

1503.14 Credited Service.

The term "Credited Service" shall mean the number of years and months of employment for which a Member is given credit for the purpose of calculating his Monthly Retirement Income or Spouse Death Benefit under this Plan. As of any date, "Credited Service" shall be equal to the sum of the years and months calculated under subsections (a), (b) and (e) hereof, subject to the provisions of subsections (c) or (d) hereof, if applicable.

)a(For any period of employment prior to January 1, 1967, three-fourths $\frac{3}{4}$ (of the number of years and completed months of the Member's continuous employment for the Employer as an Employee from his last date of hire as an Employee to December 31, 1966.

)b(For any period of employment after December 31, 1966, the number of years and completed months of the Member's continuous employment for the Employer as an Employee from the later of)i(January 1, 1967, and)ii(his last date of hire as an Employee to the date of his termination of employment.

)c(For the purposes of this Plan the following periods of employment shall be considered "continuous employment" but shall not be recognized as Credited Service:

)i(a break in continuity of employment of not more than two)2(years; provided the Employee returns to work for at least twelve)12(months;

)ii(any period of employment during which the Employee was not compensated by the

Employer, except that any such period during which an employee was absent on approved leave without Compensation while serving on active military duty in Operation Desert Storm, or between September 11, 2001 and December 31, 2006, shall be recognized as Credited Service;

)iii(any period of employment excluded pursuant to section 1506. hereof;

)iv(any period of employment prior to January 1, 1977, during which the Employee was eligible to participate in the Prior Plan but refused to make the Employee contributions required thereunder;

)v(a break in the continuity of employment prior to April 1, 1967, of more than two)2 (years; provided:

)A(the Employee was employed by the Employer as an Employee on April 1, 1967; and

)B(the Employee completes twenty-five)25(years of employment as an Employee by his Normal Retirement Date)including for this purpose any break in the continuity of employment occurring prior to April 1, 1967(.

)vi(a break in the continuity of employment of more than two)2(years; provided:

)A(the reemployed Employee terminated Vested in the plan, or is a Retired Member of the Plan, or had completed fifteen)15(years of service during his prior employment; and,

)B(the Employee accrues sufficient Service during his period of reemployment to

become Vested in the Plan.

)d(Notwithstanding any other provision contained in this section, no Member shall receive credit for any period of employment by the Jackson County Law Library, Inc., prior to January 1, 1993.

)e(Notwithstanding any other provision contained in this section, any Member who is employed on October 1, 2004, and is vested or becomes vested on or after that date shall receive Credited Service for period of Employment with the Employer for which the Member has not previously received Credited Service.

1503.15 Current Accrued Benefit.

The term "Current Accrued Benefit" shall mean a Member's Accrued Benefit under the Plan, determined as if the Member had separated from service as of the close of the last Limitation Year beginning before January 1, 1987, when expressed as an Annual Benefit within the meaning of section 415)b()2(of the Code. In determining the amount of a Member's Current Accrued Benefit, the following shall be disregarded:

- (i) any change in the terms and conditions of the Plan after May 5, 1986; and
- (ii) any cost of living adjustments occurring after May 5, 1986.

1503.16 Custodian.

The term "Custodian" means the person or organization approved as custodian of the Fund pursuant to section 1561.3 of this chapter.

1503.17 Death Benefit.

The term "Death Benefit" shall mean any benefit paid to a Spouse or Beneficiary at the death of a Member, Disabled Member, or Retired Member, as provided under the terms of the Plan.

1503.18 Defined Benefit Dollar Limitation.

The term "Defined Benefit Dollar Limitation" shall mean \$160,000. Such limitation will be automatically adjusted by multiplying such limit by the cost of living adjustment factor prescribed by the Secretary of the Treasury under section 415(d) of the Code in such manner as the Secretary shall prescribe. The new limitation will apply to Limitation Years ending with or within the calendar year of the date of the adjustment.

1503.19 Direct Rollover.

The term "Direct Rollover" shall mean a payment by the Plan to an Eligible Retirement Plan specified by a Distributee.

1503.20 Disability Retirement Date.

The term "Disability Retirement Date" shall mean the date a Disabled Member becomes eligible for immediate disability payments hereunder.

1503.21 Disabled Member.

The term "Disabled Member" shall mean any Member who has Vested in the Plan and who becomes Totally and Permanently Disabled while in the employ of Employer.

1503.22 Distributee.

The term "Distributee" shall include an Employee or former Employee, or the Employee's or former Employee's surviving spouse.

1503.23 Early Retirement Date.

The term "Early Retirement Date" shall mean the first day of the month that the Member has directed pension payments to begin, if that date is prior to the Normal Retirement Date.

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.

1503.25 Eligible Retirement Plan.

The term "Eligible Retirement Plan" shall mean an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code or a qualified trust described in section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution.

1503.26 Eligible Rollover Distribution.

The term "Eligible Rollover Distribution" shall mean any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments)not less frequently than annually(made for the life)or life expectancy(of the Distributee or the joint lives)or joint life expectancies(of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such

distribution is required under section 401)a()9(of the Code; and any distribution which is made upon hardship of the Employee.

1503.27 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).

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.

1503.28 Employer.

The term "Employer" shall mean Jackson County, Missouri; provided, however, that for purposes of sections 1503.6, 1503.7, 1503.13, 1503.18, 1503.19, 1503.33, 1503.34, and 1519. through 1521., such term shall mean Jackson County, Missouri, and all members of a controlled group of corporations (as defined in section 414(b) of the Code, as modified by section 415(h)), all commonly controlled trades or businesses (as defined in Code section 414(c) as modified by Code section 415(h)), or affiliated service groups (as defined in Code section 414(m)) of which Jackson County is a part, and any other entity required to be aggregated with Jackson County pursuant to section 414(o) of the Code.

1503.29 Fund.

The term "Fund" shall mean such contributions with respect to the Plan as shall from time to time be made by the Employer and Members to the Board, and all income and profits thereon and accruals thereto, which assets, payments, and accruals are herein referred to as the "Fund." The Fund shall be deemed to form part of the Plan and any all rights or benefits which may accrue to any person under the Plan shall be subject to all the terms and provisions of the Fund as hereafter provided or as may be amended from time to time.

1503.30 Investment Manager

The term "Investment Manager" shall mean a person, firm, or corporation appointed by the Board to manage (including the power to acquire or dispose of all or one or more portions of the Fund), which person, firm, or corporation shall:

1503.31 Highest Average Compensation.

The term "Highest Average Compensation" shall mean average compensation for the period of the three consecutive calendar years during which the Member was an active participant in the Plan that produces the highest average.

1503.32 Late Retirement Date.

The term "Late Retirement Date" shall mean the first day of any month subsequent to the Member's Normal Retirement Date next following the day the Member terminates employment with the Employer for any reason other than death.

1503.33 Limitation Year.

The term "Limitation Year" shall mean a calendar year. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different 12-consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

1503.34 Maximum Permissible Amount.

- (a) The term "Maximum Permissible Amount" means the Defined Benefit Dollar Limitation.
- (b) If the Member has less than 10 years of participation with the Employer, the Defined Benefit Dollar Limitation is reduced by one tenth for each year of participation (or part thereof) less than ten. If the Member has less than ten years of service with the Employer, the Compensation limitation is reduced by one-tenth for each year of service (or part thereof) less than ten. The adjustments of this paragraph (b) shall be applied in the denominator of the Defined Benefit Fraction based upon years of service. Years of service shall include future

years occurring before the Member's Normal Retirement Date. Such future years shall include the year in which the Member reaches the Normal Retirement Date, only if it can be reasonably anticipated that the Member will receive a year of service for such year.

(c) If the Annual Benefit of a Member commences before the Member's attainment of age 62, but on or after age 55, the Defined Benefit Dollar Limitation as reduced in paragraph (b) of this subsection, if necessary, shall be adjusted so that it is the Actuarial Equivalent of an Annual Benefit of such dollar limitation beginning at age 62; provided, however, that the Annual Benefit shall not be reduced below \$75,000. To determine actuarial equivalence, the interest rate assumption used is the greater of the rate specified in section 1503.2 of the Plan or 5 percent. Any decrease in the Defined Benefit Dollar Limitation determined in accordance with this paragraph (c) shall not reflect the mortality decrement to the extent that benefits will not be forfeited upon the death of the Member.

(d) If the Annual Benefit of a Member commences before the Member's attainment of age 55, the Defined Benefit Dollar Limitation as reduced in paragraph (b) of this subsection, if necessary, shall be adjusted so that it is the Actuarial Equivalent of an Annual Benefit of such dollar limitation beginning at age 62; provided, however, that such benefit shall not be reduced below the Actuarial Equivalent of an Annual Benefit of \$75,000, beginning at age 55. To determine actuarial equivalence, the interest rate assumption used is the greater of the rate specified in section 1503.2 of the Plan or 5 percent. Any decrease in the Defined Benefit Dollar Limitation determined in accordance with this paragraph (d) shall not reflect the mortality decrement to the extent that benefits will not be forfeited upon the death of the Member.

(e) If the annual benefit of a Member commences after the Member attains age 65, the Defined Benefit Dollar Limitation as reduced in paragraph (b) of this subsection, if necessary, shall be adjusted so that it is the Actuarial Equivalent of an Annual Benefit of such dollar limitation beginning at the Member's attainment of age 65. To determine actuarial equivalence, the interest rate assumption used is the lesser of the rate specified in section 1503.2 of the Plan or 5 percent.

1503.35 Member.

The term "Member" shall mean any Employee of the Employer who has become a Member as provided in

section 1504 of this chapter.

1503.36 Monthly Earnings.

The term "Monthly Earnings" shall mean the Member's regular monthly cash compensation from the Employer including overtime pay, but excluding fees, commissions, travel or automobile allowances, expense reimbursement and any other forms of extraordinary compensation.

1503.37 Monthly Pension Income.

The term "Monthly Pension Income" shall mean the monthly income due a Retired Member which shall commence as of his Disability, Early, Normal or Late Retirement Date, or the date specified in section 1530 of this chapter and continue for the period indicated in sections 1510 through 1518.

1503.38 Normal Retirement Date.

The term "Normal Retirement Date" shall mean the earlier date of: a.(the first day of the month next following the month during which the sum of the Member's age in years and Credited Service first equals eighty)80(years, but not earlier than the first day of the month next following the Member's fifty-fifth)55th(birthday; or b.(the first day of the month next following the Member's sixty-fifth)65th(birthday, provided that no Member who is not also an Employee shall have a Normal Retirement Date earlier than the date specified in 1503.44)b()v()B(of this subsection.

1503.39 Plan Administrator.

The term "Plan Administrator" shall mean the person appointed by the Board to administer the Plan under section 1541.2 of this chapter.

1503.40 Plan Year.

The term "Plan Year" shall mean a twelve)12(month period beginning on the first day of January and ending on the last day of December in the same calendar year.

1503.41 Prior Plan.

The term "Prior Plan" shall mean Jackson County, Missouri Employees' Pension Plan as constituted on December 31, 1976.

1503.42 Projected Annual Benefit.

The term "Projected Annual Benefit" shall mean the Annual Benefit to which the Member would be entitled under the terms of the Plan assuming:

)a(the Member will continue employment until age 65)or current age, if later(, and

)b(the Member's Compensation for the current Limitation Year and all other relevant factors used to determine benefits under the Plan will remain constant for all future Limitation Years.

1503.43 Retired Member.

The term "Retired Member" shall mean any Member of the Plan who has qualified for retirement and who is receiving a Monthly Pension Income by direction of the Pension Plan Administration Committee.

1503.44 Service.

The term "Service" shall mean the number of years for which a Member is given credit for the purpose of determining his eligibility for benefits under the Plan. As of any date, Service shall be equal to the sum of the years of employment calculated under subsection (a), subject to the provisions of subsection (b), if applicable.

(a) The number of years and completed months of the Member's continuous employment for the Employer as an Employee from his date of hire as an Employee to the date of his termination of employment.

(b) For the purposes of this Plan the following periods of employment shall be considered "continuous employment" but shall not be recognized as Service:

(i) a break in the continuity of employment of not more than two (2) years, provided the Employee returns to work for at least twelve (12) months;

(ii) any period of employment during which the Employee was not compensated by the Employer, except

that any such period which an employee was on approved leave without compensation while serving on active military duty in the Persian Gulf in Operation Desert Storm shall be recognized as Service;

(iii) any period of employment excluded pursuant to the provisions of section 1506 of this chapter;

)iv(any period prior to January 1, 1977, during which the Employee was eligible to participate in the Prior Plan but refused to make the Employee contributions thereunder;

)v(a break in the continuity of employment prior to April 1, 1967, of more than two)2(years; provided:

)A(the Employee was employed by the Employer as an Employee on April 1, 1967; and

)B(the Employee completes twenty-five)25(years of employment as an Employee by his Normal Retirement Date)including for this purpose any break in the continuity of employment occurring prior to April 1, 1967(.

)vi(a break in the continuity of employment of more than two)2(years; provided:

)A(the reemployed Employee terminated Vested in the Plan, or is a Retired Member of the Plan, and;

)B(the Employee accrues sufficient Service during his period of reemployment to become Vested in the Plan.

1503.45 Spouse.

The term "Spouse" shall mean the legally married husband or wife of the Member at the date benefits commence to the Member under the Plan or at the Member's date of death.

1503.46 Total and Permanent Disability.

The term "Total and Permanent Disability" or "Totally and Permanently Disabled" shall mean a physical or mental condition arising after the original date of employment of the Member and at a time when the Member is in the employ of the Employer which totally and permanently prevents the Member from engaging in any occupation or employment for remuneration or profit, except for the purpose of rehabilitation not incompatible with a finding of

Total and Permanent Disability. The determination as to whether a Member is Totally and Permanently Disabled shall be made solely on evidence that the Member is eligible for disability benefits under the Social Security Act in effect at the date of disability.

1503.47 Vested.

The term "Vested" shall mean that if an Employee has completed at least five years Service he shall have a nonforfeitable right to 100 percent of the Employee's Accrued Benefit or a Vested benefit of 100 percent. An Employee with less than five years Service shall have a 0% vested benefit; provided, however, that a Member shall have a 100% vested benefit upon attaining age sixty-five (65) (if employed by the Employer on or after that date).

The Vested percentage shall be multiplied times the amount calculated in section 1512.1 or 1512.2.

Except as otherwise specifically provided herein, any amendment of the Plan by the Employer, including any amendment of the Plan's provisions regarding vesting, shall apply only to an Employee whose employment with the Employer terminates on or after the effective date of the amendment.

1503.48 Year of Participation.

A Member shall be credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (1) The Member is credited with at least the number of hours of service (or period of service if the elapsed time method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (2) the Member is included as a Member under the eligibility provisions of the Plan for at least one day of the accrual computation period. If these two conditions are met, the portion of a Year of Participation credited to the Member shall equal the amount of benefit accrual service credited to the Member for such accrual computation period. A Member who is Permanently and Totally Disabled within the meaning of section 415(c)(3)(C)(I) of the Code for an accrual computation period shall receive a Year of Participation with respect to that period. In addition, for a Member to receive a Year of Participation (or part thereof) for an accrual computation period, the Plan must be established no later than the last day of such accrual computation period. In no event will more than one Year of Participation be credited for any 12-month period.

1503.49 Construction.

Any words herein used in the masculine shall be read and construed in the feminine where they would so apply. Words in the singular shall be read and construed as though used in the plural in all cases where they would so apply.

1540. Pension Plan Board of Trustees, Composition and Appointment.

There is hereby established a Board of Trustees which shall be composed of eleven persons and who shall be responsible for the governance and management of the Plan.

1540.1 Composition.

The composition and membership of the Board of Trustees shall be established as follows:

(c) Nine (9) members appointed by the County Executive, subject to the disapproval of the County Legislature, as follows:

- (i) one (1) active Member of the Plan employed by the Circuit Court of Jackson County;
- (ii) one (1) active Member of the Plan from the bargaining unit within the Office of the Prosecuting Attorney and with which the Office of the Prosecuting Attorney has a valid Memorandum of Understanding, whose initial term will be no more than two years and any and all subsequent terms for the initial appointee or his successor shall be for no more than four years or the term of the Memorandum of Understanding, whichever is less;
- (iii) two (2) other active Members of the Plan, but not more than one from any one department;
- (iv) four (4) independent business executives with special consideration to be given to those with investment experience; and
- (v) one (1) labor leader or union representative affiliated with a labor organization or union with which the

Employer has a current Memorandum of Understanding.

If a vacancy occurs in the office of a member of the Board, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.

1540.2 Officers.

The Board shall elect a Chairperson, Vice Chairperson, Secretary, and any other officers it deems necessary, from its members, by majority vote.

1540.3 Notification.

The Employer will notify the Actuary of the names of the members of the Board of Trustees and of any changes in the membership of the Board that may take place from time to time.

1540.4 Board of Trustees, Dismissal With Cause.

The Employer by action of the County Executive may dismiss any member of the Board of Trustees at any time with cause. No compensation shall be paid members of the Board of Trustees from the Fund for services on such Board. However, Board members who are also County employees shall not suffer any loss of pay for time spent in fulfillment of their duties as Board members.

1541. Board of Trustees, Governance Duties.

The Board of Trustees is responsible for the overall governance of the Pension Plan, including all administrative, operational, and investment functions. The Board shall have all the powers and duties that are necessary and proper to enable it to fully and effectively carry out its responsibilities.

1541.1 Quorum and Meetings.

Six (6) members of the Board at any time in office shall constitute a quorum for the transaction of business. Each member shall be entitled to one vote. All resolutions and other actions taken by the Board at any meeting shall be by a vote of the majority of those present at any such meeting. The Board shall hold meetings upon such notice, at such place(s), and such time(s) as it from time to time determines, provided such meetings shall be held at least once in each calendar quarter. The Board shall publish a schedule of such meetings, which shall be open to the public unless the subject matter of such meetings permits such meetings to be closed pursuant to

state law. Five (5) members of the Board may call for a special meeting upon five (5) days' written notice.

1541.2 Recording of Proceedings.

The Board shall cause to be kept a record of all of its proceedings and such records and other data as may be necessary for the administration of the Plan.

1541.3 Custodian of the Fund.

The Board shall direct the Custodian, if any, with respect to the distribution and disbursement from the Fund.

1541.4 Experts.

The Board may engage and retain, as may be reasonable and necessary, experts, advisors, and consultants to provide advice and counsel in matters relating to the Plan. Actuary, investment consultant, investment manager, custodian, and legal counsel are specific examples of technical advisors the Board may typically employ.

1541.5 Rulemaking.

Subject to the limitations of the Plan, the Board may establish rules for the transaction of its business and for the governance of the Plan. Without limiting the generality of the preceding sentence, it is specifically provided that the Board shall

set forth in writing, available for inspection by any interested party, the procedures to be followed in presenting claims for benefits under the Plan.

1541.6 Employer's Records, Reliance Upon.

The Board shall rely on the records of the Employer, as certified to it, with respect to any and all factual matters dealing with the employment of an Employee or Member. In case of any factual dispute hereunder, the Board shall resolve such dispute giving due weight to all available evidence. The Board shall interpret the Plan and shall determine all questions arising in the administration, interpretation, and application of the Plan. All such determinations shall be final, conclusive, and binding except to the extent they are appealed under the claims procedure in section 1543 of this chapter.

1541.7 Budget.

The Board will pay, or cause to be paid, from the Fund, all the expenses of administering the Plan and the Fund. On or before October 1 of each year, the Board shall submit to the County Executive its budget for the administrative expenses of the Plan for the following year, for inclusion in the County Executive's recommended annual County budget. The term "administrative expenses" generally refers to funds paid out by the Board for any purpose other than as benefits to Plan Members. It includes all professional and consultants' fees and expenses (including the fees of investment consultants), but does not include commissions or fees paid to investment managers. Administrative expenses shall not exceed .0025% of the Fund's assets on an annual basis, except upon recommendation of the Board and approval by the County Legislature.

1541.8 Staff Support.

The Human Resources Department and the Financing and Purchasing Department shall provide administrative and staff support as requested by the Board, and approved by the respective department directors. Furthermore, the Board may, in its discretion, delegate some or all of its responsibilities under section 1542. to one employee of the Employer designated to serve as the Plan Administrator.

1541.9 Compliance with State Law.

At all times, members of the Board of Trustees shall comply with the reporting, training, and all other applicable provisions of chapter 105, RSMo.

1541.10 Compensation.

Board members shall serve without compensation to their Board service. However, Board members who are also Employees shall not suffer any loss of compensation for time spent in fulfillment of their duties as Board members.

1541.11 Indemnification.

The provisions of chapter 16 of this code shall apply to the Board Members and the Plan Administrator.

1542. Board of Trustees, Administrative Duties.

The Board shall administer the Plan through its authorized officers in a uniform and nondiscretionary manner. The Board shall administer the Plan in accordance with its terms and it shall have all powers necessary to carry out the provisions of

the Plan (except such powers as are reserved by the Plan or by law to the Employer), whether or not such powers are specifically enumerated herein, but not inconsistent with any of the express terms and conditions of the Plan. Notwithstanding the foregoing, the Employer shall have the absolute and sole right to determine and make appropriations for funding contributions to the Plan and the Board's powers and rights under the Plan shall be limited to investment, custodial, and administrative functions.

1542.1 Determine Benefits Eligibility.

The Board, in its discretion, is authorized to determine eligibility for benefits under the Plan and construe the Plan's terms.

The Board shall approve all applications for Plan benefits.

1542.2 Plan, General Management.

Without limiting the generality of the foregoing, the Board shall have the general management of the Plan and, subject to the powers specifically reserved herein and inherent to the Employer, the sole, final and absolute right to reconcile any inconsistency in the Plan, to interpret and construe the provisions of the Plan in all particulars, in such manner and to such extent as it deems proper, and to take all action and make all decisions and determinations under the Plan and/or in connection with its administration, interpretation, and application.

1542.3 Construction by Board, Binding.

Any interpretation or construction placed upon any term or provision of the Plan by the Board, any decision of the Board with regard to the eligibility of an Employee to become a Member, the right of a Member, a Former Member, or the Beneficiaries, or any person, any reconciliation or inconsistency in the Plan made by the Board or any other action, determination, or decision whatsoever taken by the Board shall be final, conclusive, and binding upon all persons and parties interested in or concerned with the Plan, including, but not by way of limitation, the Employees, Members, Former Members, and Beneficiaries, subject, however, to review in the Circuit Court of the Jackson County, Missouri, pursuant to administrative procedures established by Missouri State law.

1542.4 No Personal Interest.

No Board member shall act or vote in any case in which his or her individual right or claim to any benefit is

particularly involved.

1543. Claim Procedures.

1543.1 Filing Claims.

Claims for benefits under the Plan shall be filed with the Plan Administrator on forms supplied by the Plan Administrator. Notice of the Plan Administrator's determination shall be furnished the claimant within sixty (60) days of the receipt of the claim, unless special circumstances require an extension of time. In such case, the Plan Administrator may extend the period for not in excess of an additional sixty_(60) day period. Such notice shall indicate the special circumstances requiring the extension of time and the date by which the Plan Administrator expects to render a final decision. The claimant shall be given written notice of the Plan Administrator's determination. If the claim is denied in whole or in part, the notice of the denial shall set forth in a manner calculated to be understood by the claimant, the following:

- (i) The specific reason or reasons for such denial;
- (ii) Specific reference to pertinent Plan provisions on which such denial is based;
- (iii) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

If the determination of the Plan Administrator is not furnished to the claimant within the time permitted herein, the claim shall be deemed denied.

1543.2 Review of Denied Claims.

A claimant whose claim is denied, in whole or in part, may submit a written request to the Board for a review of its determination within sixty days after the receipt by the claimant of written notification of the denial of the claim. Such claimant, or his or her duly authorized representative, shall be given the opportunity to review_pertinent documents and submit issues and comments in writing. A claimant shall have the right to a hearing before the full Board regarding his or her claim and to be represented by his duly authorized representative in such hearing. A

decision on review shall be made within sixty days after the receipt of the request for review unless special circumstances require an extension of time. In such case, the Board may extend the period for not in excess of an additional sixty days, provided that the claimant is given written notice of the extension of time within the original sixty day period. The claimant shall be given written notice of the decision on review. The decision on review shall be written in a manner calculated to be understood by the claimant and shall include:

1543.3 Notices.

If the decision on review is not furnished to the claimant in writing within the time permitted herein, the claim shall be deemed denied on the review. The Board shall maintain minutes of any meeting denying a claim for benefits and of any review thereof and copies thereof shall be made available to the claimant upon written request.

1543.4 Rules for Hearings.

Any notice, claim for benefit or request as provided hereunder shall be sent in accordance with the provisions of section 1597. of this chapter. Any notice, claim_for benefit, or request as provided hereunder shall be deemed to be given when mailed in accordance with the provisions of section 1597.

1546. Written Certification Required.

The Secretary of the Board shall certify to the Board in writing the payments to be made from the Fund to Members who qualify for such payments hereunder. Written certification to the Board shall specify the name of the Member, his address, his Social Security number, and the amount and form of such payments.

1550. Contributions by the Employer.

It is the intention of The Employer, but it does not guarantee to do so, to deposit in the Fund not less frequently than annually, the funds actuarially necessary to provide the benefits under the Plan at the contribution rate specified in the Fund's annual actuarial report. The Employer shall deposit the Employee Contributions as described in section 1505.1 no less frequently than annually.

1552. Actuary, Duties.

The Actuary shall perform an annual actuarial valuation of the Plan and Trust Fund and shall certify to the Employer in writing the results of the valuation. The Actuary in his actuarial valuation shall apply all gains arising in the operation of the Plan, including but not necessarily limited to gains resulting from termination of employment of members prior to qualifying for benefits hereunder, to reduce the contributions of the Employer pursuant to the funding method and actuarial tables the in use. In addition, an actuarial experience study shall be conducted at least every five years and an actuarial audit, performed by an independent actuary, shall be conducted at least every ten years.

1561. Fund.

The Fund shall be received, held in Trust, and disbursed by the Board in accordance with the provisions set forth in this Plan. No part of the Fund shall be used for or diverted to purposes other than for the exclusive benefit of Members, Retired Members, Disabled Members, Spouses, and Beneficiaries under this Plan, prior to the satisfaction of all liabilities hereunder with respect to them. No person shall have any interest in or right to the Fund or any part thereof, except as specifically provided for in this Plan.

1561.1 Fund Deemed Part of Plan.

The Fund shall consist of such contributions with respect to the Plan as shall from time to time be made by the Employer and Members to the Board, and all income and profits thereon and accruals thereto, which assets, payments and accruals are herein referred to as the "Fund." The Fund shall be deemed to form part of the Plan and any and all rights or benefits which may accrue to any person under this Plan shall be subject to all the terms and provisions of the Fund as hereafter provided or as may be amended from time to time.

1561.2 Power and Authority of Board Relative to Fund.

Except as otherwise herein specifically provided or under the law of the State of Missouri, the Board shall in general have the power and authority to do and perform, in the same manner and to the same extent as an individual might or could do with his or her own property, any and all acts and things in relation to the Fund which in its judgment are necessary or appropriate for the management, investment and distribution of the Fund.

1561.3 Custodian.

The Board may appoint a Custodian to hold cash, securities, and other assets of the Fund, subject to the control and direction of the Board, and to apply the income and principal thereof in accordance with the directions of the

Board for the purpose of paying, in accordance with the Plan, retirement and other benefits to Members of the Plan and their Beneficiaries entitled thereto, and the administrative expenses of the Plan, as hereinafter provided.

(a) Any Custodian shall have custody of the Fund to the extent of cash, securities and assets of the Fund transferred to it and collect all interest due and other income thereon.

(b) As prescribed by said Board, any Custodian shall keep separate books and complete accounts of the Fund, and its books and accounts shall always be subject to public inspection.

(c) The Custodian shall be bonded, as required by the Board.

(d) Upon its resignation or removal by the Board, the Custodian shall deliver to its successor all unexpended cash, securities, books, records and other assets which may have come into its possession as Custodian of the Fund. (e) Any Custodian shall make disbursements from the Fund to such persons, at such times and in such amounts as the Board shall direct in writing. A Custodian shall be fully protected in making such disbursements

from the Fund from time to time upon such written directions of the Board and shall be charged with no responsibility whatever respecting the application of such disbursements.

1561.4 Investment Manager.

(b) Upon appointment of an Investment Manager, the Board shall give notice to the Custodian, if any, certifying (i) the name and address of the Investment Manager; (ii) that said Investment Manager is an "investment manager" as such term is defined in Section 3(38) of the Employee Retirement Income Security Act of 1974, as now or hereafter amended from time to time, and has acknowledged in writing that it is a fiduciary with respect to the Plan; and (iii) the assets of the Fund to be allocated the directed fund over which such Investment Manager shall have responsibility.

(c) Upon the termination of the appointment of an Investment Manager (whether by expiration of the

term of its appointment, removal, or resignation or otherwise), the Board shall give notice to any Custodian of such termination.

(d) Unless a Custodian shall receive notice that another Investment Manager has been appointed to replace the Investment Manager whose appointment was terminated, the directed fund over which the Investment Manager whose appointment was terminated had responsibility shall cease being a directed fund.

(i) A Custodian shall not be liable for any losses to the Fund from assets acquired, held, or transferred by an Investment Manager.

For this purpose, the Board or a Custodian may, in its sole discretion, invest such cash in savings accounts and certificates of deposit with any financial institution and purchase, hold and sell United States Treasury bills, commercial paper, bankers' acceptances and similar investments including individual or participating interests therein and in commingled or collective funds composed of such investments.

(b) The Board and any Custodian may request that all direction of an Investment Manager be in writing and, if the Board or Custodian shall so request, the Board or Custodian shall assume no liability hereunder for failure to act pursuant to directions from the Investment Manager unless and until the Board or Custodian shall receive directions in writing.

The Board or a Custodian shall settle purchases and sales of assets of a directed fund upon the direction of the

Investment Manager responsible for such directed fund.

1561.7 Orders, Investment Manager May Issue.

An Investment Manager may issue orders for the purchases or sales of securities directly to a broker or dealer.

1561.8 Board and Custodian, No Duty to Review.

The Board or Custodian shall be under no duty or obligation to review or to question any direction of an Investment Manager or to review the securities or other property held in any directed fund with respect to prudence, proper diversification of Trust funds, or compliance with any limitation on an Investment Manager's authority whatsoever.

Neither the Board or Custodian shall be liable for the acts or omissions of any Investment Manager unless the Board or Custodian knowingly participates in or knowingly undertakes to conceal an act or omission of such Investment Manager, knowing such act or omission constitutes a breach of fiduciary responsibility of the Investment Manager.

The performance by the Board or Custodian of trades, custody, reporting, recording, and bookkeeping with respect to a directed fund shall not be deemed to give rise to any participation or knowledge on the part of the Board or Custodian.

If the Board or Custodian has other knowledge of a breach committed by the Investment Manager, it shall notify

the Board and City Council which shall assume responsibility to remedy such breach.

1597. Requirements of Due Notice.

Any notice, request, direction, or approval required or permitted to be given hereunder shall be deemed to have been duly given or made only:

(a) If to a person, upon personal delivery thereof to such person or upon the mailing of the same by United States certified or registered mail, postage fully prepaid, and duly addressed to such person at the last address of such person appearing upon the records of the Employer.

(b) If to the Employer, upon personal delivery thereof to the Plan Administrator of the Board, or upon mailing the same by United States certified or registered mail, postage fully prepaid, and duly addressed to the Employer at its principal place of business (or such other address as the County Legislature may hereafter designate by notice to the Board).

(c) If to the Plan Administrator of the Board, upon personal delivery thereof to the Plan Administrator of the board, or upon mailing a copy of the same by United States certified or registered mail, postage fully prepaid, and duty addressed to the Plan Administrator of the Board of the address of the Employer (or such other address as the County Legislature may hereafter designate by notice to the Board).

(d) If to the Board, upon personal delivery thereof to the chairman of the Board, or upon mailing the same by United States certified or registered mail, postage fully prepaid, and duly addressed to such person at the address shown on the records of the Employer (or at such other address as the Employer may from time to time designate in accordance with the terms hereof).

Section B. Transition Provision. Of the initial members of the Board of Trustees appointed pursuant to section 1540 of this Ordinance, three shall serve terms of four years, two shall serve terms of three years, two shall serve terms of two years, and two shall serve terms of one year as respectively designated by the County Executive at the time of the appointment. Thereafter, all members shall serve terms of four years, as further

defined in section 1540.1 of this Ordinance.

Section C. Revision. Pursuant to section 147.4(e), Jackson County Code, the County Counselor, as Revisor of Ordinances, is authorized to substitute "Board of Trustees" for "Pension Plan Administration Committee," wherever that term appears in the Code.

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

i)
ii) APPROVED AS TO FORM:

iii)
iv) _____
Chief Deputy County Counselor

_____ County Counselor

v) I hereby certify that the attached Ordinance, Ordinance #4083 of February 2, 2009, was duly passed on February 17, 2009 by the Jackson County Legislature. In the votes thereon were as follows:

vi)
Yeas 7 Nays 0
Abstaining 0 Absent 2

vii)
viii) This Ordinance is hereby transmitted to the County Executive for his signature.

ix)
x)

Date _____
Mary Jo Spino, Clerk of Legislature

xii)
xiii) I hereby approve the attached Ordinance #4083.

xiv)
xv)

Date _____
Michael D. Sanders, County Executive