



RETIREMENT OVERVIEW AS OF AUGUST, 2016

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[Chapter 2.64 - POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT FUND](#)

WHO IS COVERED BY THE RETIREMENT FUND?

The Retirement Fund covers all sworn police officers and firefighters of North Kansas City. The persons covered by the Retirement Fund are referred to as members. Each member of the Retirement Fund must make contributions through pre-tax payroll deduction equal to 3.1 percent of base pay. The city contributes an additional 6.9% of the members salary, for a total of 10%.

WHEN CAN I RETIRE?

Your normal retirement age is fifty-five (55), with 10 years of service. Your mandatory retirement age is sixty-five (65). You can retire any time after age forty-five (45) if you have at least twenty-five years of service. For the purpose of the Retirement Fund, "years of service" mean continuous service, except for (1) a break of less than one month for any reason or (2) service in the U.S. Armed Forces while reemployment rights are guaranteed by federal law, provided you make up the required employee contributions for the period of your military service within the time required by federal law, with interest. The Retirement Fund also provides (1) duty-caused disability benefits; and (2) for members with at least five (5) years of service, non-duty caused disability benefits.

HOW MUCH RETIREMENT BENEFIT CAN I RECEIVE?

The retirement Fund is a defined benefit Pension Plan which provides you with a monthly retirement benefit equal to a percentage of your average monthly salary. The percentage is based on your years of service, age and average monthly salary on the date of your retirement.

NORMAL RETIREMENT [2.64.080](#)

Your normal retirement benefit will be a monthly pension for life of sixty percent (60%) of your average monthly salary, if you have at least thirty (30) years of service. "Average monthly salary" is the sum of your highest base salary for thirty-six consecutive (36) months of employment divided by thirty-six.

If you retire at age 55 with less than thirty (30) years of service, your benefit will be calculated in accordance with the following formula:

- Two and one-half percent (.025) for each of the first twenty (20) years for service, plus
- One percent (.01) for each year of service in excess of twenty (20)., multiplied by
- Your average monthly salary.

Years of service includes both years and completed months of service. The monthly benefit begins the first day of the month immediately following your date of retirement.

HOW IS MY RETIREMENT PAID?

As previously indicated, your benefit is paid in the form a monthly pension for life. However, if you have been married at least one year when your pension payment begins, you may elect, in lieu of a monthly pension for life, to receive your benefit in the form of an actuarial equivalent joint and fifty percent (50%) survivorship benefit. Under this form of payment your monthly pension is reduced (based on actuarial calculations taking into consideration your spouse's age) to provide a survivor income benefit for your spouse.

The reduced benefit is payable to you for your lifetime and 50% of the reduced amount is payable after your death to your spouse for your spouse's lifetime. "Spouse" for this purpose means your eligible spouse when your pension benefit started.

If the benefits paid to you and, if applicable, to your spouse after your death, do not equal or exceed the total amount of your after tax employee contributions, with interest, determined when your benefits started, the remaining balance will be paid to your beneficiary, or to your estate, if no beneficiary survives you or your spouse. (After tax contributions not applicable to employees hired after April 2013.)

WHAT OTHER BENEFITS ARE PROVIDED?

The Retirement Fund also provides benefits, upon late retirement, early retirement, termination of employment before eligibility for early retirement, for duty-caused or non-duty caused disability and may provide benefits upon your death.

LATE RETIREMENT [2.64.100](#)

If you remain employed beyond age 55, your pension does not begin until you actually retire. At that time your Pension is calculated in the same manner as at age 55 normal retirement benefit, but counting your years of service, up to 30 years, and average monthly salary at late retirement. Your benefit is either this amount or the actuarial equivalent benefit (calculated at age 55), whichever is the greater amount.

EARLY RETIREMENT [2.64.090](#)

Any member of the police officers' and firefighters' retirement fund with at least twenty-five (25) years of service, regardless of his or her age, may retire within ten (10) years of his or her normal retirement date and shall be entitled to a retirement benefit commencing on his or her normal retirement date. Such benefit shall be equal to the member's accrued benefit as of his or her early retirement. Alternatively, a member who is eligible for early retirement under this section shall have the option of electing that his or her retirement benefits commence on the first day of the month coincident with or next following his early retirement, but in no event after such member's mandatory retirement age. The amount of the early retirement benefit under this alternative option shall be the actuarial equivalent of the member's normal retirement benefit as of the commencement of his early retirement benefit.

TERMINATION OF EMPLOYMENT BEFORE ELIGIBILITY FOR EARLY RETIREMENT [2.64.130](#)

If you terminate employment before you are eligible for early retirement, with ten (10) years of service or more, you will be entitled to receive your accrued monthly normal retirement benefit when you attain age 55, based on your years of service and average monthly salary at the time of your termination of employment.

EMPLOYEE CONTRIBUTIONS [2.64.200](#)

You may elect to have your pre-tax contributions (called "pick-up contributions") and/or any after-tax employee contributions, with interest, will be paid to you in lieu of any other benefits from the Retirement Fund.

If you terminate employment with less than ten (10) years of service, your pick-up contributions and other employee contributions, with interest, will be paid to you. You will not be entitled to any other benefits from the Retirement Fund.

If the benefits paid to you at the time of your death do not equal or exceed the total amount of your employee contributions, with interest, determined when your benefits started, the remaining balance will be paid to your beneficiary, or to your estate, if no beneficiary survives you.

DUTY-CAUSED DISABILITY BENEFITS [2.64.150](#)

Any member of the police officers' and firefighters' retirement fund who, as a natural and proximate result of an accident occurring while in the actual performance of duties or exposure while in the actual performance of duties for the City of North Kansas City, Missouri, has been certified by the board's medical officer to be totally and permanently disabled, as hereinafter defined, and that such member should be retired, shall be retired immediately on a disability pension.

Total disability, as used herein, shall mean that the member is mentally or physically incapacitated for the further performance of duty as a natural and proximate result of an accident while in the actual performance of duties or exposure while in the actual performance of duties for the city, as certified by the medical officer designated by the board, provided that the medical officer shall also certify that the mental or physical incapacity is likely to remain permanent and that the member should be retired as a member of the police department or the fire department.

For the purpose of determining whether such an accident was the natural and proximate cause of total and permanent disability with respect to any member with at least five actual years of service, any of the following health conditions resulting in total disability to a member who successfully passed a physical examination within five years prior to the time a claim is made for such disability, which examination failed to reveal any evidence of such condition, shall be presumed to have been suffered in line of duty, unless the contrary is shown by competent evidence: any condition of impairment of health caused by any infectious disease, disease of the lungs or respiratory tract, hypertension, disease of the heart or any condition of cancer affecting the skin or the central nervous, lymphatic, digestive, hematological, urinary, skeletal, oral,





breast, testicular, genitourinary, liver or prostate systems, as well as any condition of cancer which may result from exposure to heat or radiation or to a known or suspected carcinogen as determined by the International Agency for Research on Cancer, provided that the condition of cancer did not result nor was contributed to by the voluntary use of tobacco.

In order to be entitled to the presumption that an infectious disease was contracted in line of duty, the member shall submit to an annual physical examination at which a blood test is administered.

The amount of a duty-caused disability benefit shall be equal to the greater of: (a) the member's projected normal retirement benefit (age 55), calculated on the basis of years of service at age 55 (assuming continued employment) and (b) 50% of the disabled member's average monthly salary at the time of the duty-caused disability; or (c) if the disabled member was covered by the Retirement Fund on August 22, 1994, sixty (60%) of the member's average monthly salary, calculated as such date.

If the disabled member survives until age 55, the disability benefit converts to a normal retirement benefit and the member may elect that the benefit be paid as a joint and 50% spouse survivorship benefit.

NON-DUTY CAUSED DISABILITY BENEFITS [2.64.160](#)

If you become totally and permanently disabled after five (5) years of service, do not qualify for early retirement or duty-caused disability benefits and did not become disabled as a result of employment with an employer other than the City of North Kansas City, you may be entitled to a disability pension. Total disability for this purpose means that the member is mentally or physically incapacitated for the further performance of duty for the city as certified by a Board-designated medical officer who also certifies that such mental or physical incapacity will likely be permanent and that the member should be retired as a member of the police department or the fire department.

The amount of a non-duty caused disability benefit is the greater of: (1) your accrued monthly normal retirement, based on your years of service and average monthly salary at the time of the non-duty disability retirement. This benefit is calculated in the same manner as an early retirement benefit,

but only requires five (5) years of service (not 25), does not have an age requirement and is payable immediately without any actuarial adjustment; or (2) twenty-five (25) percent of the member's average monthly compensation for the twelve-month period immediately preceding the effective date of the member's disability retirement.

MEDICAL EXAMINATION [2.64.170](#)

Disabled members may be requested to undergo a medical examination by a physician designated by the Board of Trustees to determine whether they have recovered from the disability. If the physician certifies that the member is no longer disabled, the disability pension shall cease. If a disabled member refuses to undergo such an examination, his disability pension shall cease. If such refusal continues for more than one year, the member's years of service shall also be forfeited.

WHAT DEATH BENEFITS ARE PROVIDED IF I DIE BEFORE MY RETIREMENT BENEFITS HAVE STARTED? [2.64.180](#)

If you die before you have ten (10) years of service, your beneficiary will be entitled to receive your employee contributions, with interest.

If you die after you have ten (10) years of service, your surviving spouse will receive a death benefit, based on the Assumption that you retired just before your death and elected a joint and 50% spouse survivorship form of benefit payment. This death benefit does not begin until you would have attained age 55, unless you either die after age 55 or could have qualified for early retirement (i.e., could have retired after 25 years of service and at age 45 or older, but less than age 55, if your service had continued to such date). If you could have qualified for early retirement, your spouse can elect that an actuarially reduced death benefit beginning when you would have qualified for early retirement. If you are not survived by a spouse, the death benefit will be paid to your minor children until they have all attained age 18.

The death benefit also applies in the case of the death of a disabled member, if (a) death occurs within two (2) years of the start of disability benefits and (b) the disabled member had at least ten (10) years of service when his disability death benefit started. The disability death benefit shall be calculated as described above, but shall start on the first day of the month after the disabled member's death.

WHAT DEATH BENEFITS ARE PROVIDED IF I DIE AFTER MY RETIREMENT BENEFITS HAVE STARTED? [2.64.180](#)

(a) If your benefits are being paid in the form of monthly pension payments for life, then no death benefits are payable, unless you have not received retirement benefits equal to the amount of your employee contributions, plus interest, determined as of the date your pension started. Under these circumstances, your beneficiary (or your estate if you are not survived by a beneficiary) will receive the remaining balance of your employee contributions. (b) If your benefits are being paid in a joint and 50% spouse survivorship form, your spouse will receive monthly benefits for life equal to 50% of the benefits you had been receiving prior to your death.

COST OF LIVING ADJUSTMENTS [2.64.310](#)

The monthly pension benefits payable under the Retirement Fund for normal, early, late or disability retirement for a member who was active on or after August 23, 1994 and survivor income benefits for the spouse or children of a deceased member who was an active member on or after August 23, 1994, shall be increased by the lesser of the Social Security cost of living adjustment for the immediately preceding year, but not be less than 1% or greater than 3%. The cost of living adjustment shall be prorated for benefits that have been in pay status for less than one year.

DEFERRED RETIREMENT OPTION PROVISIONS

[2.64.330](#)

A member who is eligible for early retirement, normal retirement or late retirement and who intends to remain employed for the city as an employee of the police department or the fire department for at least one additional year, but not more than five years, may elect to have his or her early, normal or late retirement benefit payments under the retirement fund start and be credited to a "DROP account." This account will be credited with interest until the member's actual retirement, which must be on or before the member's mandatory retirement age, or if earlier, five years after the member commences DROP status. The amounts that have been credit. Questions regarding these DROP provisions should be directed to the Board or to the city's HR manager.

BOARD OF TRUSTEES

MAYOR

CITY ATTORNEY

CITY TREASURER

CHIEF OF POLICE

FIRE CHIEF

AN ELECTED POLICE OFFICER

AN ELECTED FIREFIGHTER

ONLINE BENEFIT CALCULATOR

Now available for all members 24/7. This pension benefit estimator is intended to allow you to estimate your monthly pension benefit at retirement. *Please note that this is only an ESTIMATE and is based upon the information that you enter into the input screen. At the time of your retirement, your actual benefits payable will be calculated by the Plan administrator in accordance with the legal document governing the Plan. In the case of any discrepancies in the information provided here with the actual provisions of the Plan, the actual Plan document will prevail.*



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