

**ORDINANCE 71161**

**BOARD BILL NUMBER 9 INTRODUCED BY ALDERWOMAN CAROL HOWARD**

1           An Ordinance pertaining to the Employees Retirement System of the City of St. Louis  
2 (the “Retirement System”); by repealing Section Two of Ordinance 70154 and enacting in lieu  
3 thereof a new provision in order to comply with the federal Setting Every Community Up for  
4 Retirement Enhancement Act of 2019 (the “Secure Act”) which changed the age requirement for  
5 the “required beginning date” for persons who attain the age of 70 ½ years after December 31,  
6 2019; and containing an emergency clause.

7           **Whereas**, the City of St. Louis, Missouri (the “City”) established the Retirement System  
8 by City ordinance effective April 1, 1960 pursuant to that state statute currently codified as  
9 Section 95.540 of Missouri Revised Statutes, as amended, in order to provide for the pensioning  
10 of certain City officers and employees and the employees of certain other governmental entities  
11 providing services to the inhabitants of the City;

12           **Whereas**, the City has amended said ordinances in order to maintain compliance with  
13 the “Qualified Status” requirements of the Internal Revenue Code in order to maintain the  
14 Retirement System’s tax-exempt status and for the Retirement System’s beneficiaries to obtain  
15 certain other favorable tax treatment; and

16           **Whereas**, the federal government has adopted the Secure Act which changed certain  
17 general distribution rules for retirement plans that meet the “Qualified Status” requirements; and

18           **Whereas**, the City and Retirement System have determined it is in the best interests of  
19 the City, the Retirement System, and the participants and beneficiaries of the Retirement System  
20 to amend the governing ordinance of the Retirement System in order to comply with the Secure  
21 Act and maintain the Retirement System’s “Qualified Status.”

**ORDINANCE 71161**

1 **BE IT ORDAIND BY THE CITY OF ST. LOUIS AS FOLLOWS:**

2 **SECTION ONE.** Section Two of City of St. Louis Ordinance No. 70154 is hereby repealed and  
3 enacted in lieu there is the following:

4 6. Commencement of Benefits and Minimum Required Distributions.

5 Effective on and after January 1, 2003, the Employees Retirement System of the City of St. Louis  
6 (the “Retirement System”) will pay all benefits in accordance with the requirement of the  
7 Internal Revenue Code of 1986, as amended (the “IRC”) Section 401(a)(9), including the  
8 incidental death benefit requirement in IRC Section 401(a)(9)(G), the regulations under that  
9 section, and the good faith compliance standard for governmental plans under the Pension  
10 Protection Act of 2006 with regard to IRC Section 401(a)(9). For this purpose, and  
11 notwithstanding any other provisions of Ordinance 66511, or Ordinance 67963, or Ordinance  
12 70154, as the same may have been amended, the Member’s “required beginning date” is the later  
13 of (i) April 1 of the calendar year following the calendar year in which the Member reaches 70  
14 ½ years of age, or (ii) April 1 of the calendar year in which the Member terminates employment.  
15 Notwithstanding the foregoing sentence, for those members who reach age 70 ½ after December  
16 31, 2019, the Member’s “required beginning date” is the later of (i) April 1 of the calendar year  
17 following the calendar year in which the Member reaches 72 years of age, or (ii) April 1 of the  
18 calendar year in which the Member terminates employment. If a Member fails to apply for  
19 retirement benefits by the applicable “required beginning date,” the Retirement System will use  
20 reasonable efforts to notify the Member of the required minimum distribution.

21 **SECTION TWO. Emergency Clause.** This being an ordinance providing for the public peace,  
22 health, or safety, it is hereby declared to be an emergency measure as defined in Article IV,

**ORDINANCE 71161**

- 1 Section 20 of the Charter of the City of St. Louis and shall become effective immediately upon
- 2 its approval by the Mayor of the City of St. Louis.

ORDINANCE NUMBER 70154

BOARD BILL NO. 192 FLOOR SUBSTITUTE INTRODUCED BY ALDERMAN  
FRANK WILLIAMSON

1           An Ordinance pertaining to the Employees Retirement System of the City of St.  
2   Louis (the “Retirement System”) repealing the following: Subsections 2 and 3 of Section  
3   Eleven of Ordinance 66511, Subsection 5 of Section Fourteen of Ordinance 66511, and  
4   Sections Four and Twelve of Ordinance 67963; and enacting new provisions related to  
5   the same subject matter; and containing a severability clause.

6           WHEREAS, the City of St. Louis, Missouri (the “City”) established the  
7   Retirement System by City ordinance effective April 1, 1960 pursuant to that state statute  
8   currently codified as Section 95.540 of Missouri Revised Statutes 2000, as amended, in  
9   order to provide for the pensioning of certain City employees and the employees of  
10   certain other governmental entities providing services to the inhabitants of the City;

11           WHEREAS, the Internal Revenue Service (the “IRS”), an agency of the federal  
12   government, has determined that the Retirement System meets the applicable  
13   requirements of a “Qualified Plan” as defined by the Internal Revenue Code of 1986, as  
14   amended (the “IRC), and is in compliance with the applicable provisions and  
15   requirements of IRC Section 401(a);

16           WHEREAS, it is necessary for the Retirement System to remain up-to-date on  
17   Qualified Plan requirements and may be necessary to apply for a determination letter  
18   from the IRS from time to time to in order for the Retirement System to maintain its  
19   Qualified Plan status;

20           WHEREAS, the ordinances governing the Retirement System provide for the  
21   System to utilize a federal letter forwarding program in certain instances;

22           WHEREAS, the federal government has eliminated the IRS and SSA federal  
23   letter forwarding programs;

October 9, 2015

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BB#192 FLOOR SUBSTITUTE

Introduced by Alderman Frank Williamson

ORDINANCE NUMBER 70154

BOARD BILL NO. 192 FLOOR SUBSTITUTE INTRODUCED BY ALDERMAN  
FRANK WILLIAMSON

1 WHEREAS, the Board of Trustees of the Retirement System wishes to clarify its  
2 voting requirements;

3 WHEREAS, the Retirement System's actuary has recommended the Retirement  
4 System change its valuation methodology from the Projected Unit Credit method to the  
5 Entry Age Normal method;

6 WHEREAS, the City desires to change the Retirement System's actuarial  
7 valuation methodology from Projected Unit Credit to Entry Age Normal;

8 WHEREAS, the Retirement System's actuary has recommended the Retirement  
9 System change its unfunded accrued liability amortization schedule; and

10 WHEREAS, the City desires to change the Retirement System's amortization  
11 schedule for unfunded accrued liabilities;

12 NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS,  
13 MISSOURI AS FOLLOWS:

14 SECTION ONE. Subsections 2 and 3 of Section Eleven of Ordinance 66511 of  
15 the City of St. Louis, Missouri (the "City") are hereby repealed and enacted in lieu  
16 thereof is the following:

17 2. Normal Contribution Rate.

18 The Normal Contribution rate percentage shall be determined annually by  
19 the actuary from the liabilities of the Retirement System (as defined in  
20 Subsection 23 of Section Four of Ordinance 66511) as shown by actuarial  
21 valuations which are based on the interest rate and such mortality and  
22 other tables as shall be adopted by the Board of Trustees (as defined in

23 Subsection 5 of Section Four of Ordinance 66511). Effective October 1,  
October 9, 2015

ORDINANCE NUMBER 70154

BOARD BILL NO. 192 FLOOR SUBSTITUTE INTRODUCED BY ALDERMAN  
FRANK WILLIAMSON

1                   2015 and thereafter, the normal cost percentage shall equal the normal cost  
2                   amount determined under the entry age normal actuarial cost method  
3                   divided by the Compensation (as defined in Subsection 7 of Section Four  
4                   of Ordinance 66511) of Employees (as defined in Subsection 11 of  
5                   Section Four of Ordinance 66511) who are Members (as defined in  
6                   Subsection 16 of Section Four of Ordinance 66511), plus a percentage of  
7                   Compensation to cover the administrative expenses of the Retirement  
8                   System.

9           3.       Unfunded Accrued Liability Contributions – Determination.

10                   The unfunded accrued liability represents the liability for normal and  
11                   Member contributions not paid in the year prior to the effective date, for  
12                   the increased contributions not paid in the years prior to a benefit increase  
13                   and for accumulated increases/decreases in liabilities/assets caused by  
14                   variation of actual plan experience from assumptions underlying past  
15                   contributions. The Unfunded Accrued Liability Contribution shall be  
16                   determined by the actuary annually, as a part of the actuarial valuation.  
17                   Said annual Unfunded Accrued Liability Contribution shall represent the  
18                   amount, expressed as a level percentage of compensation which should be  
19                   contributed, by amortizing the initial unfunded accrued liability as of  
20                   October 1, 2015 over twenty (20) years, with each future change in  
21                   unfunded accrued liability due to actuarial gains and losses and changes in  
22                   actuarial assumptions being amortized over separate twenty (20) year  
23                   periods.

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BB#192 FLOOR SUBSTITUTE

Introduced by Alderman Frank Williamson

ORDINANCE NUMBER 70154

BOARD BILL NO. 192 FLOOR SUBSTITUTE INTRODUCED BY ALDERMAN  
FRANK WILLIAMSON

1 SECTION TWO. Section Four of Ordinance 67963 is hereby repealed (formerly  
2 Subsection 6 of Section Nine of Ordinance 66511) and enacted in lieu thereof is the  
3 following:

4 6. Commencement of Benefits and Minimum Required Distributions.  
5 Effective on and after January 1, 2003, the Retirement System will pay all  
6 benefits in accordance with the requirement of the Internal Revenue Code  
7 of 1986, as amended (the "IRC") Section 401(a)(9), including the  
8 incidental death benefit requirement in IRC Section 401(a)(9)(G), the  
9 regulations under that section, and the good faith compliance standard for  
10 governmental plans under the Pension Protection Act of 2006 with regard  
11 to IRC Section 401(a)(9). For this purpose, and notwithstanding any other  
12 provisions of this Ordinance or Ordinance 66511, as amended, the  
13 Member's "required beginning date" is the later of (i) April 1 of the  
14 calendar year following the calendar year in which the Member reaches  
15 70-1/2 years of age, or (ii) April 1 of the calendar year following the  
16 calendar year in which the Member terminates employment. If a Member  
17 fails to apply for retirement benefits by the "required beginning date," the  
18 Retirement System will use reasonable efforts to notify the Member of the  
19 required minimum distribution.

20 SECTION THREE. Subsection 5 of Section Fourteen of Ordinance No. 66511 of  
21 the City is hereby repealed and enacted in lieu thereof is the following:

22 5. Voting.

October 9, 2015

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BB#192 FLOOR SUBSTITUTE

Introduced by Alderman Frank Williamson

ORDINANCE NUMBER 70154

BOARD BILL NO. 192 FLOOR SUBSTITUTE INTRODUCED BY ALDERMAN  
FRANK WILLIAMSON

1                   Each trustee shall be entitled to one vote in the Board of Trustees. Four  
2                   affirmative votes shall be necessary to adopt any motion at any meeting of  
3                   the Board of Trustees.

4                   SECTION FOUR. Section Twelve of Ordinance 67963 is hereby repealed and  
5 enacted in lieu thereof is the following:

6                   The Board of Trustees is hereby authorized and directed to seek favorable  
7                   determination letters from the Internal Revenue Service (the “IRS”) that  
8                   the Retirement System continues to be a Qualified Plan, in the time and  
9                   manner the Board of Trustees deems appropriate based on IRS procedures  
10                  with respect to such letters. The Board of Trustees is authorized to adopt  
11                  rules or regulations and to take actions to meet any requirements imposed  
12                  by the IRS as a part of this process.

13                  SECTION FIVE. Each provision of this ordinance shall be severable. In the  
14 event any provision of this ordinance is found by a court of competent jurisdiction to be  
15 unconstitutional, the remaining provisions of this ordinance are valid, unless the court  
16 finds the valid provisions of this ordinance are so essentially and inseparably connected  
17 with, and so dependent upon, the void provision(s) that it cannot be presumed that the  
18 Board of Aldermen would have enacted the valid provisions without the void one(s); or  
19 unless the court finds that the valid provisions, standing alone, are incomplete and are  
20 incapable of being executed in accordance with the legislative intent.

21