

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0436-01
Bill No.: SB 78
Subject: Highway Patrol; Retirement - State; Retirement Systems and Benefits-General;
 Transportation Dept.
Type: Original
Date: January 17, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials with the **Department of Transportation (MoDOT)** assume the proposal allows for members to buy credible service at the contribution rate applicable to the year(s) of service at simple interest. This will allow an increased cost to the Retirement Plan due to members being allowed to purchase service at old contribution rates instead of the current rate which has increased over the past years due to benefit enhancements such as 80 and out, and multiplier increases. However, since they cannot estimate the number of people with credible service or the contribution rate that will apply to the service buy-back, they cannot estimate the increased costs. Therefore, the impact is unknown.

Oversight assumes there will be a minimal fiscal impact to the Department of Transportation because the proposal affects Uniformed Patrol Officers.

ASSUMPTION (continued)

Officials with the **Highway Employees and Patrol Retirement System (HTEHPRS)** assume the retirement system would subsidize the creditable service purchased by Uniformed Patrol members. The unfunded liability of the retirement system will increase and, at some point, will cause an increase in the MoDOT and Patrol contribution rate.

Oversight assumes there would be minimal fiscal impact to HTEHPRS due to the service buy-back and earnings fund contribution of the Uniformed Patrol member.

Officials with **Missouri Consolidated Health Care Plan, Department of Insurance, Office of Administration and Missouri State Employee Retirement Plan** assume the proposal would have no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act allows employees under the Highway and Transportation Employees and Highway Patrol Employees Retirement System to purchase up to four years of creditable service for Highway and Transportation Employees and Highway Patrol Employees Retirement System.

This legislation is not federally mandated, would not duplicate any other program and would not

require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Department of Transportation
Highway Employees and Patrol Retirement System
Missouri Consolidated Health Care Plan
Department of Public Safety - Missouri State Highway Patrol
Department of Insurance
Office of Administration
Missouri State Employees Retirement Plan



Mickey Wilson, CPA
Director
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