

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1731-02
Bill No.: HCS for SB 401
Subject: Retirement Systems and Benefits - General
Type: Original
Date: April 15, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> 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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government*	\$0	(Unknown)	(Unknown)

*** This proposal will increase the St. Louis Police Retirement System’s Unfunded Actuarial Accrued Liability (UAAL) and will result in an increase in employer contributions.**

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).

However, provisions contained in this proposal will increase the St. Louis Police Retirement System’s Unfunded Actuarial Accrued Liability (UAAL) and will result in an increase in annual employer contributions.

Officials with the **Kansas City Police Retirement System, St. Louis Metro Police Department, and St. Louis Police Retirement System** assume no fiscal impact to their agency.

Officials with the **City of St. Louis** assume this proposal would increase the annual cost to the City however, without an actuarial cost study one cannot properly estimate the cost.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government*</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<u>Costs - City of St. Louis</u>	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

*** This proposal will increase the St. Louis Police Retirement System's Unfunded Actuarial Accrued Liability (UAAL) and will result in an increase in employer contributions.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act removes a provision that limited increased allowances in the computation of a member's average final compensation as to various benefits throughout the system to a total of three children. This act also no longer requires that the ordinary disability retirement allowance not exceed seventy percent of the member's average final compensation. Finally, a benefit paid to the surviving spouse will now consist of an amount equal to the officer's then current benefit for a period of one year and thereafter for forty percent of the deceased member's average final compensation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
County Employees Retirement System
Kansas City Police Retirement System
St. Louis Metro Police Department
St. Louis Police Retirement System



Mickey Wilson, CPA
Director
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