

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3798-01
Bill No.: Truly Agreed to and Finally Passed SB 871
Subject: Law Enforcement Officers and Agencies; Retirement - Local Government
Type: Original
Date: May 16, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 from the **Local Government Retirement System** and **Kansas City Police Retirement System** assume no fiscal impact to their agency.

Officials from the **St. Louis Police Retirement System** did not respond.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act modifies provisions regarding the St. Louis City retirement system. For calendar years beginning on or after January 1, 2003, the act prescribes required minimum distributions to members of the system. The member's entire interest shall be distributed or begin to be distributed to the member no later than the member's required beginning date. If the member dies before distributions begin, the act prescribes to whom the distributions shall be made and the timing of the distributions. If the member's interest is distributed in the form of an annuity purchased from an insurance company, then the act requires distributions to be made in accordance with the Internal Revenue Code. Otherwise, if the member's interest is paid by annuity distributions under the provisions of St. Louis City retirement system, then the act establishes the intervals and duration of distributions. If the member's interest is distributed in the form of a joint and survivor annuity for the joint lives of the member and a non-spouse beneficiary, payments shall not exceed permissible amounts under United States Treasury regulations. If a member dies before the date that distribution of the interest begins and there is a designated beneficiary, then the act establishes the period of time over which the beneficiary shall receive distributions, depending on when the distributions begin.

A distribution for calendar years 2003, 2004 and 2005 shall not fail to satisfy certain provisions of the Internal Revenue Code merely because the payments do not satisfy certain U.S. Treasury regulations as long as the payments satisfy requirements of the Internal Revenue Code.

Currently, a member shall be repaid the total amount of the member's mandatory contributions to the retirement system, upon termination of employment as a police officer and actual service requirement. This act authorizes a member to request payment of such contributions and, upon such a request, the board shall make such payment.

The act prohibits the board of trustees from paying an eligible rollover distribution of \$5,000 or less to a member or retired member who has not attained age sixty-two unless such member

DESCRIPTION (continued)

consents in writing to receive the distribution in cash or to have the distribution directly rolled over in accordance with current law.

If a retroactive payment is made to a member, surviving spouse, dependent child or other beneficiary for any reason, a lump sum equal to the sum of the retroactive monthly payments, plus interest, shall be paid.

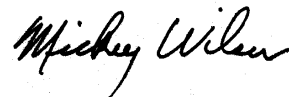
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Local Government Retirement System
KC Police Retirement System

NOT RESPONDING

St. Louis Police Retirement



Mickey Wilson, CPA
Director
May 16, 2006