

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4066-01  
Bill No.: SB 791  
Subject: Retirement Systems and Benefits - General; Highway Patrol  
Type: Original  
Date: January 17, 2006

**FISCAL SUMMARY**

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

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

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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 **Missouri Highway Patrol** assume the Department of Transportation will respond on their behalf.

Officials with the **Highway Employees and Patrol Retirement System** assume the proposal would subsidize the creditable service by certain employees of the Missouri Department of Transportation and Civilian Patrol. The unfunded liability of the retirement system will increase, and at some point, 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 from the **Department of Transportation** assume the amount of service available for purchase is unknown. In addition, the number of eligible persons that would actually buy the

ASSUMPTION (continued)

service is unknown. Therefore, we cannot estimate a fiscal impact for the legislation, however, based on the estimated provided by the MoDOT and Patrol Employees' Retirement System, the negative impact would exceed \$100,000.

**Oversight** assumes, as stated above, there would be minimal fiscal impact to HTEHPRS due to the service buyback and earnings fund contribution of the uniformed Patrol member.

<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

Current law allows uniformed members of the Highway Patrol to purchase, prior to retirement, up to four years of creditable service for any time such person served as a non-federal full-time public employee in this state prior to becoming a member of the system. This act extends the aforementioned provision to every member of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System, which includes each employee of the Highways and Transportation Commission, each uniformed member of the Highway Patrol, and each civilian or non-uniformed employee of the State Highway Patrol. Further, the act removes a provision requiring the filing of an affidavit stating that the member is not receiving credits or benefits from any other public plan for the service to be purchased.

DESCRIPTION (continued)

The act also states that all such creditable service payments must be completed prior to retirement or termination of employment. If a member who purchased creditable service dies prior to retirement, the surviving spouse may, upon written request, receive a refund of the amount contributed for such purchase of such creditable service, provided that the surviving spouse is not entitled to receive survivorship benefits as described in Section 104.110. Also, a member who is entitled to a deferred annuity under Section 104.035 shall be ineligible to purchase service under this act.

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  
Missouri Highway Patrol  
Highway Employees and Patrol Retirement System  
Department of Transportation



Mickey Wilson, CPA  
Director  
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