

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4205-01  
Bill No.: SB 861  
Subject: Kansas City; Law Enforcement Officers and Agencies; Retirement Systems and  
Benefits - General  
Type: Original  
Date: February 6, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<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>\$174,857</b>	<b>*\$174,857</b>	<b>\$174,857</b>

**\*The provisions affecting the Kansas city Civilian Police Employees' Retirement System included in this proposal decrease in the Unfunded Actuarial Accrued Liability (UAAL) by \$1,283,241. The decrease in employer contributions to the system would be \$174,857 (0.72%) annually.**

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Joint Committee on Public Employee Retirement** indicate that this proposal is a "substantial proposed change" as defined in Section 105.660(5). Therefore, an actuarial cost statement as defined in Section 105.665 must be provided prior to final action on this proposal by either legislative body or committee thereof.

Pursuant to Section 105.670, this actuarial cost statement must be filed with 1) the Chief Clerk of the Missouri House of Representatives, 2) the Secretary of the Senate and 3) the Joint Committee on Public Employee Retirement (JCPER) as public information for at least (5) legislative days before final passage of the bill.

The actuarial cost statement for the proposal has been filed with the JCPER.

Officials from the **Kansas City Police Retirement System** assume the provisions included in this proposal decrease the Unfunded Actuarial Accrued Liability and decrease the employer contributions to the system.

<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
<b>KANSAS CITY POLICE AND CIVILIAN RETIREMENT SYSTEM</b>			
<u>Savings</u> - Decrease in Employer Contributions	<u>\$174,857</u>	<u>*\$174,857</u>	<u>\$174,857</u>
<b>TOTAL ESTIMATED NET EFFECT ON KANSAS CITY POLICE AND CIVILIAN RETIREMENT SYSTEM</b>	<b><u>\$174,857</u></b>	<b><u>*\$174,857</u></b>	<b><u>\$174,857</u></b>

**\*The provisions affecting the Kansas city Civilian Police Employees' Retirement System included in this proposal decrease in the Unfunded Actuarial Accrued Liability (UAAL) by \$1,283,241. The decrease in employer contributions to the system would be \$174,857 (0.72%) annually.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

Current law provides that any member of the Police Retirement System or Civilian Employees' Retirement System of the Kansas City police department that retires after August 28, 1991, and who is entitled to a pension under the system shall receive a supplemental retirement benefit of fifty dollars monthly. This act provides that members of either system who retire after August 28, 1991, and on or before August 28, 1996, shall receive the supplemental benefit, as will any member who retired after August 28, 2006, and who either has at least twenty-five years of creditable service, or is retired due to injury or illness occurring in the line of duty or course of employment.

DESCRIPTION (continued)

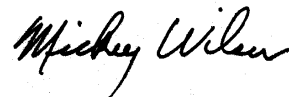
The act eliminates the requirement that determinations of cost-of-living increases to the supplemental benefit shall be based on certain advice from the plan's actuary.

The act provides that the supplemental benefit shall also be available to certain eligible surviving spouses of a member of either system, but that no benefits shall be payable to a surviving spouse of a member who died while in active service after August 28, 2006, unless such death occurred in the line of duty or course of employment or as the result of an injury or illness incurred in the line of duty or course of employment. The surviving spouse of a member who died in such a manner after August 28, 2006, shall be entitled to the supplemental benefit provided for in this act without regard to such member's years of creditable service.

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  
Kansas City Police Retirement System



Mickey Wilson, CPA  
Director  
February 6, 2006