

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0619-01
Bill No.: Perfected SB 268
Subject: Law Enforcement Officers and Agencies; Retirement - Local Government;
 Retirement Systems and Benefits - General
Type: Original
Date: March 7, 2007

Bill Summary: Makes various changes to police retirement.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government*	\$1,166,667	\$1,400,000	\$1,400,000

***Provisions included in this proposal would affect the St. Louis Police Retirement System by increasing the employer contribution to the system by \$700,000 (1.04%) annually and decreasing the employer contribution to the system would be \$2,100,000 (-3.12%) annually producing a net savings in annual employer contributions of \$1,400,000 (-2.08%).**

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Retirement** indicates that this legislation does represent a “substantial proposed change” in future plan benefits 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 legislation 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 State and 3) the Joint Committee on Public Employee Retirement as public information for at least (5) legislative days before final passage of the bill.

An actuarial cost statement for this legislation has been filed with the Joint Committee on Public Employee Retirement.

Officials from the **St. Louis Police Retirement System** assume provision included in this proposal would affect the St. Louis Police Retirement System by increasing the employer contribution to the system by \$700,000 (1.04%) annually and decreasing the employer contribution to the system would be \$2,100,000 (-3.12%) annually producing a net savings in annual employer contributions of \$1,400,000 (-2.08).

Officials from the **Local Government Employees Retirement System, Kansas City Police and Employee Retirement System and Jefferson City Police Department** assume no fiscal impact to their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
ST. LOUIS POLICE RETIREMENT SYSTEM			
<u>Savings</u> - Decreased Contributions to Retirement Plan	<u>\$1,166,667</u>	<u>\$1,400,000</u>	<u>\$1,400,000</u>
TOTAL ESTIMATED NET EFFECT ON ST. LOUIS POLICE RETIREMENT SYSTEM*	<u>\$1,166,667</u>	<u>\$1,400,000</u>	<u>\$1,400,000</u>

***Provisions included in this proposal would affect the St. Louis Police Retirement System by increasing the employer contribution to the system by \$700,000 (1.04%) annually and decreasing the employer contribution to the system would be \$2,100,000 (-3.12%) annually producing a net savings in annual employer contributions of \$1,400,000 (-2.08%).**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

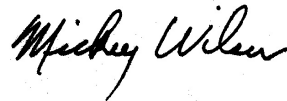
The proposed legislation makes various changes to the police retirement system and could have a fiscal impact.

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
Jefferson City Police Department
Local Government Employees Retirement System
Kansas City Police and Employee Retirement System
St. Louis Police Retirement System



Mickey Wilson, CPA
Director
March 7, 2007