

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1583-02
Bill No.: HCS for HB 664
Subject: Fire Protection; Retirement - Local Government; St. Louis
Type: Original
Date: March 29, 2011

Bill Summary: This proposal modifies provisions of the Firemen’s Retirement System of St. Louis.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government*	\$6,618,226	\$7,392,226	\$6,718,226

***This proposal modifies the cost method from Frozen Initial Liability to Entry Age Normal. Also, the provisions associated with the disability retirement modifications increase the Unfunded Actuarial Accrued Liability (UAAL) by \$2,951,098 and decreases the annual employer contribution by \$1,186,226 (-2.908%).**

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 the Senate 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 **Local Government Employees’ Retirement System** assume there will be no fiscal impact to their agency.

Officials from the **Firemen’s Retirement System of St. Louis** assume this proposal will result in a \$6.9 million savings to the employer.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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LOCAL GOVERNMENT

<u>Savings - City of St. Louis</u>	<u>\$6,420,521</u>	<u>\$7,392,226</u>	<u>\$6,718,226</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENT*	<u>\$6,618,226</u>	<u>\$7,392,226</u>	<u>\$6,718,226</u>
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***This proposal modifies the cost method from Frozen Initial Liability to Entry Age Normal. Also, the provisions associated with the disability retirement modifications increase the Unfunded Actuarial Accrued Liability (UAAL) by \$2,951,098 and decreases the annual employer contribution by \$1,186,226 (-2.908%).**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

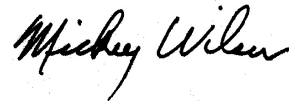
The proposed legislation modifies provisions of the Firemen's Retirement System of St. Louis.

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
Local Government Employees Retirement System
Firefighter's Retirement System of St. Louis



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Director
March 29, 2011