

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5110-03  
Bill No.: Truly Agreed To and Finally Passed HCS for SCS for SB 625  
Subject: Highway Patrol; Retirement - State; Retirement Systems and Benefits - General;  
 State Employees; Transportation Dept.  
Type: Original  
Date: June 4, 2012

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Bill Summary: Modifies the amount of retirement benefits of certain employees.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<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 2013	FY 2014	FY 2015
<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 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 **Department of Transportation, MoDOT & Patrol Employees' Retirement System, State Treasurer's Office, Secretary of State's Office, State Auditor's Office, Governor's Office** and **Missouri Highway Patrol** assume there will be no fiscal impact to their agencies.

Officials from the **Office of Administration - Division of Budget & Planning (BAP)** assume this proposal should not result in additional costs or savings to the BAP. They defer to MOSERS and MPERS on the fiscal impact of transferring service in this proposal.

Officials from the **Missouri State Employees Retirement System** assume this proposal is estimated to have no effect on their current benefit obligation or current employer contributions for members presently covered under the system.

Officials from the **County Employees' Retirement System (CERF)** assume there will be no fiscal impact to their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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.

FISCAL DESCRIPTION

The proposed legislation modifies the retirement benefits of certain employees.

COUNTY EMPLOYEES' RETIREMENT SYSTEM

This act specifies that an active member of the County Employees' Retirement System who dies after December 31, 2002, and before becoming vested will receive a death benefit of \$10,000 and the amount equal to the member's accumulated contributions to the fund.

SECTIONS 50.1130 & 50.1140

TRANSFERS BETWEEN MOSERS AND MPERS

Currently when employees transfer between the Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement

VL:LR:OD

DESCRIPTION (continued)

System, the value of the employees' accrued benefits are transferred as well. This act will change the computation of accrued benefits to exclude amounts for previously transferred service not subject to asset transfer. Any prior payments already made that should have been excluded must be returned.

SECTION 104.603

REFUND OF EMPLOYEE CONTRIBUTIONS TO MOSERS (Section 104.1091)

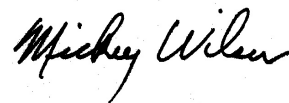
Currently, employees hired after January 1, 2011, and covered under the Missouri State Employees' Retirement System must contribute four percent of their salary into the system. If a member leaves the system before becoming eligible for normal retirement, their contributions are refunded with interest of four percent per year. This act changes the interest rate so that it is equal to the investment rate for the fifty-two week treasury bills issued by the United States Department of Treasury.

Currently, the beneficiary of any MOSERS member who made contributions into the MOSERS system will upon the member's death receive a refund of the contribution less any retirement benefits received by the member. This act will include the interest credited to the member's contributions in the refund. Interest credited to the contributions will cease upon retirement or death.

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 State Employees' Retirement System  
Governor's Office  
State Auditor's Office  
State Treasurer's Office  
Secretary of State's Office  
Office of Administration -  
    Division of Budget and Planning  
MoDOT & Patrol Employees' Retirement System  
County Employees Retirement System



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Director  
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