

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1813-04
Bill No.: Truly Agreed To and Finally Passed SCS for HCS for HB 722
Subject: St. Louis; Retirement Systems and Benefits - General; Retirement - Local Government; Law Enforcement Officers and Agencies
Type: Original
Date: June 5, 2013

Bill Summary: This proposal modifies provisions relating to the Police Retirement System of St. Louis.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0 or (\$30,000)	\$0 or (\$30,000)	\$0 or (\$30,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Public Retirement** state that this legislation would not create a substantial proposed change in future plan benefits as defined in Section 105.660(10).

Officials from the **St. Louis Police Retirement System** state that the only cost borne by the system will be \$30,000, which will only become effective once the plan reaches a funding level of 80%.

Oversight will range the fiscal impact from \$0 (plan has not yet reached the funding level of 80% as specified in Section 86.257.1) to the estimate provided by the St. Louis Police Retirement System.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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LOCAL GOVERNMENTS

<u>Costs - St. Louis Police Retirement System</u>	<u>\$0 or (\$30,000)</u>	<u>\$0 or (\$30,000)</u>	<u>\$0 or (\$30,000)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0 or (\$30,000)</u>	<u>\$0 or (\$30,000)</u>	<u>\$0 or (\$30,000)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, any member of the Police Retirement System of St. Louis who has completed at least 10 years of creditable service and has become permanently unable to perform the duties of a police officer as the result of an injury or illness not exclusively caused or induced by the performance of his or her official duties or by his or her own negligence will be retired by the Board of Police Commissioners upon certification by the medical board of the retirement system. The bill lowers the creditable service requirement to five years once the retirement system's annual actuarial valuation is at least 80% as required by Section 105.660 RSMo.

The bill defines "medical board" as a board of three physicians of different disciplines appointed by the trustees of the police retirement board who are responsible for arranging and passing upon all medical examinations required to determine disability retirement eligibility.

The bill modifies the requirements that determine if the board of police commissioners should retire a member to if the member is unable to perform all the essential job functions of a police officer as established by the board.

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 Retirement
St. Louis Police Retirement System



Ross Strope
Acting Director
June 5, 2013