

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1220-01  
Bill No.: SB 238  
Subject: Judges; Retirement - State; Retirement Systems and Benefits - General; State Employees  
Type: Original  
Date: February 17, 2015

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Bill Summary: This proposal prohibits retired judges or state employees from collecting retirement benefits while employed by a political subdivision.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to a similar proposal from 2013, SB 312, officials from the **MoDOT & Patrol Employees' Retirement System** state that it is unknown what level of fiscal impact is associated with the legislation. The administration of this proposal would require material coordination between the vast number of public retirement systems within the state of Missouri and could require programming of our pension administration system, both of which could be costly.

In response to a similar proposal from 2013, SB 312, officials from the **Joint Committee on Public Employees Retirement** assumed the proposal would not create a substantial proposed change in future plan benefits.

In response to a similar proposal from 2013, SB 312, officials from the **Missouri State Employees Retirement System** stated that if the legislation were enacted, employers of the political subdivisions and the Missouri State Employees Retirement System (MOSERS) or the MoDOT & Patrol Employees' Retirement System (MPERS) would need to develop a process by which retirees could be educated about the provision, and those so employed would not be able to receive retirement benefits from MOSERS or MPERS.

In response to a similar proposal from 2013, SB 312, officials from the **County Employees' Retirement Fund** and **Missouri Local Government Employees' Retirement System** each assumed the proposal would not fiscally impact their respective agencies.

**Oversight** assumes this proposal may have an administrative impact on MOSERS and MPERS as well as potentially halt benefit payments to certain retirees (if they start receiving retirement benefits after August 28, 2015 and later become employed by a qualified local political subdivision). Oversight assumes these potential costs and/or plan savings would have a minimal impact on future state contribution rates to the state retirement plans, and for fiscal note purposes will not reflect an impact to the state government.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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.

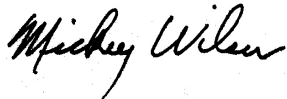
FISCAL DESCRIPTION

This proposal prohibits a retired state employee or judge from collecting retirement benefits while employed full time by a political subdivision, excluding public school districts, following retirement from the state or judiciary. Upon completion of employment from the political subdivision the person may once again resume collecting retirement from the state.

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  
MoDOT and Patrol Employees Retirement System  
Missouri State Employees Retirement System  
County Employees Retirement Fund  
Missouri Local Government Employees Retirement System



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February 17, 2015

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