

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4511-05
Bill No.: SB 980
Subject: Retirement - Local Government; Retirement - Schools; Retirement - State;
 Retirement Systems and Benefits - General; Political Subdivisions
Type: Original
Date: February 1, 2016

Bill Summary: This proposal requires public retirement plans to provide certain financial information to participants and modifies the criteria for when a public retirement plan will be deemed delinquent.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri State Employees Retirement System** assume this proposal will have minimal fiscal impact on their system.

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 **Public School Retirement System of St. Louis**, the **Missouri Local Government Employees Retirement System**, the **Public School and Education Employees Retirement System**, and the **Police Retirement System of St. Louis** each assume the current proposal would not fiscally impact their respective organizations.

Officials from the **Prosecuting and Circuit Attorneys' Retirement System (PACARS)** assume this proposal imposes a number of new administrative duties upon the system. These new duties will require additional expenses for actuaries, attorneys and administrative personnel. It is difficult at this time to estimate exactly how much money it will cost in additional expenses. However, we estimate the additional cost to comply with these new mandates will be approximately \$10,000 annually.

Officials from the **Police Retirement System of Kansas City (PRSKC)** assume expenses from mailing benefit statements annually to 2,000 active members of the system. In addition, programming and setup costs including costs to generate member data, convert data from database to be downloaded into a format for generating individual statements, and creation a document format for individual member statements. Personnel costs will include verifying accuracy of data for 2,000 member statements annually and providing follow up information to members. In FY17 the programming and setup costs are estimated to be \$25,000, and personnel and mailing costs to be \$16,200 (\$14,200 personnel and \$2,000 mailing) for a total of \$41,200 in FY17. The costs for FY18 and FY19 are estimated to be \$16,800 (\$14,700 personnel and \$2,100 mailing) and \$17,500 (\$15,300 personnel and \$2,200 mailing) respectively.

Oversight assumes these minimal additional expenses may or may not impact the contribution rate of local political subdivisions to the retirement systems. For fiscal note purposes, Oversight will assume the local political subdivisions will not be impacted by this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

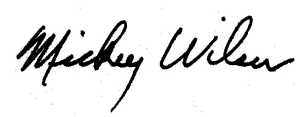
FISCAL DESCRIPTION

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

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

Prosecuting and Circuit Attorneys' Retirement System
Police Retirement System of Kansas City
Missouri State Employees Retirement System
Joint Committee on Public Employee Retirement
Public School Retirement System of St. Louis
Missouri Local Government Employees Retirement System
Public School and Education Employees Retirement System
Police Retirement System of St. Louis



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