

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4545-01  
Bill No.: Perfected HB 1443  
Subject: Retirement - Local Government  
Type: Original  
Date: April 12, 2016

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Bill Summary: This proposal modifies provisions relating to the Missouri Local Government Employees' Retirement System.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<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 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Joint Committee on Public Retirement (JCPR)** state that this legislation would not create a substantial proposed change in future plan benefits as defined in Section 105.660(10). In addition, JCPR stated as of June 30, 2015, Missouri Local Government Employees Retirement System administered retirement benefit coverage for 668 political subdivisions in Missouri.

Officials from the **Missouri Local Government Employees Retirement System (LAGERS)** assume this proposal would have no fiscal impact on their system and it is anticipated to have no cost, with potential cost savings to local governments by effectively transitioning legacy plan administration into the LAGERS system thereby taking advantage of the efficiencies and scale of LAGERS. The decision to elect LAGERS administration is voluntary to local governments.

All plans would be reviewed on an individual basis to assess administrative needs in transitioning them into the LAGERS administrative framework. Initial costs, if any, for programming as well as any additional administration work will be borne by the legacy plan and not the LAGERS system. These costs would be mutually agreed upon by LAGERS and the local employer prior to LAGERS administration election. It is anticipated that any legacy plan cost will be more than offset from realized cost savings by LAGERS overall administration.

**Oversight** assumes this proposal is discretionary and would have no local fiscal impact without action by the governing body.

<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.

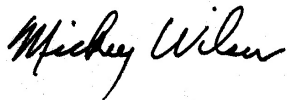
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

Missouri Local Government Employees Retirement System  
Joint Committee on Public Employee Retirement



Mickey Wilson, CPA  
Director  
April 12, 2016

Ross Strobe  
Assistant Director  
April 12, 2016