

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1767-02  
Bill No.: HCS for HB 831  
Subject: Retirement - Local Government; Law Enforcement Officers and Agencies  
Type: Original  
Date: March 15, 2017

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Bill Summary: This proposal modifies provisions relating to the retirement of police officers.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Joint Committee on Public Retirement** assume this legislation would not create a "substantial proposed change" in future plan benefits as defined in Section 105.660(10). Therefore, an actuarial cost statement is not required.

#### St. Louis Police Retirement System as of October 1, 2015

		<u>Funded Ratio</u>
Assets: Market Value	\$684,894,768	75.9%
Actuarial Value	\$720,811,717	79.9%
Liabilities:	\$901,758,011	

#### Actuarially Determined Contribution Rate (PY 16)

Employer:	42.81%	\$30,778,664
Employee:	<u>7.00%</u>	<u>\$4,670,736 (estimate)</u>
Total:	49.81%	\$35,449,400 (estimate)

Covered Payroll: \$66,724,796

Active Membership: 1,077  
Inactive Membership: 2,068

#### St. Louis Employees Retirement System as of October 1, 2015

		<u>Funded Ratio</u>
Assets: Market Value	\$727,997,133	76.2%
Actuarial Value	\$770,006,025	80.6%
Liabilities:	\$955,120,641	

#### Actuarially Determined Contribution Rate (PY 16)

Employer:	12.51%	\$28,534,042
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Covered Payroll: \$228,422,585

Active Membership: 5,359  
Inactive Membership: 6,888

ASSUMPTION (continued)

In response to a previous version, officials from the **St. Louis City Police Retirement System** assumed the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **St. Louis Employees Retirement System** assumes this proposal will have no material effect on their organization.

The **City of St. Louis** did not respond to our request for fiscal impact.

**Oversight** assumes this proposal will not have a significant fiscal impact on the St. Louis Police Retirement System or the City of St. Louis.

<u>FISCAL IMPACT - State Government</u>	FY 2018	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018	FY 2019	FY 2020
	<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

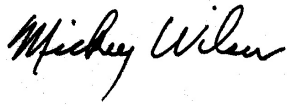
The proposed legislation appears to have no direct fiscal impact.

This proposal has an emergency clause.

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 City Police Retirement System  
St. Louis Employees Retirement System

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 15, 2017

Ross Strobe  
Assistant Director  
March 15, 2017