

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3027-01
BILL NO.: SB 863
SUBJECT: Retirement: Conservation Agents
TYPE: Original
DATE: February 10, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
All State Funds	(\$651,896)	(\$782,276)	(\$782,276)
Total Estimated Net Effect on <u>All</u> State Funds	(\$651,896)	(\$782,276)	(\$782,276)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Joint Committee on Public Employee Retirement** have reviewed this proposal and have determined that it represents a “substantial proposed change” in future plan benefits as defined in section 105.660(5), RSMo. Therefore, an actuarial cost statement must be provided prior to final action on this legislation by either legislative body or committee thereof.

Officials of the **Office of Administration** assume fiscal impact will be determined by the Missouri State Employees’ Retirement System.

Missouri State Employees’ Retirement System (MOSERS) officials assume the proposal would provide uniformed conservation agents (both active and terminated vested employees), retirees, and survivors with an additional 33.3% retirement benefit. This would increase the benefit multiplier from 1.6% to 2.13% of average compensation times years of credited service for these members. Based on an actuarial analysis obtained by MOSERS, the proposal would result in an increase in the state’s contribution rate for the general employee plan from 11.59% to 11.64%. Based on a covered payroll as of June 30, 1999 of \$1,564,551,532, the annual increase in contributions to MOSERS would approximate \$782,276. In addition, MOSERS officials note their concern that the proposal could result in equal protection lawsuits which in the past have resulted in significant costs to MOSERS and the state.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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ALL STATE FUNDS

<u>Costs</u> - increased contributions to MOSERS	<u>(\$651,896)</u>	<u>(\$782,276)</u>	<u>(\$782,276)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

PLH:LR:OD:005 (9-94)

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The proposal would provide uniformed conservation agents with an additional 33.3% retirement benefit.

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 Employee Retirement
Office of Administration
Missouri State Employees' Retirement System



Jeanne Jarrett, CPA
Director
February 10, 2000