

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4443-01
Bill No.: SB 1133
Subject: Retirement – State; Retirement Systems and Benefits – General; State Employees
Type: Original
Date: February 25, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCP)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials with the **Missouri Employees Retirement System (MOSERS) and the Missouri Highway and Transportation Employees and Highway Patrol Retirement System (HRS)** assume that this proposal would have no fiscal impact on their retirement systems.

Officials with the **Department of Transportation (MoDOT)** assume the proposal will have no impact on MoDOT. If reimbursement of medical claims paid by the Medical Plan for which there is a third-party liability is required, this legislation would have fiscal impact on the Medical Plan. However, due to the uncertainty of the requirement, the fiscal impact on the Medical Plan is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<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.

DESCRIPTION

This act modifies provisions relating to the Missouri State Employees' Retirement System (MSEP), the Highway Employees and Highway Patrol Retirement System (HEHPRS) and the Judicial Plan.

HEHPRS: Employee leave taken by an employee without compensation pursuant to the Family Medical Leave Act may be counted as continuous service. The board is authorized to contract for provision of disability benefits to members.

DESCRIPTION (continued)

The act modifies payments and method of calculation to survivors, including surviving spouses and children under the age of twenty-one.

The act clarifies that any payments from the HEHPRS retirement system shall be subject to the collection of child support or spousal maintenance. The Highway Commission may contract with others for the provision of health and death benefits.

MSEP and MSEP 2000: Employees who have forfeited credited service may restore the forfeited service upon continuous employment for one year. The act clarifies the allowance of service credit for employees who have taken leave pursuant to the Family Medical Leave Act.

The act revises provisions relating to reemployment of retired members. Benefits would cease upon being hired in a position requiring at least 1000 hours per year. Retirees rehired prior to September 1, 2001, would receive creditable service. Retirees rehired after September 1, 2002, would not be allowed to receive creditable service for such employment or life insurance, except for retiree life insurance then in effect. Benefit restrictions for rehired retirees who are rehired between August 28, 2001, and September 1, 2002, are specified.

Eligible members who terminate employment and retire within 60 days are eligible for \$5,000 life insurance. Beneficiaries are allowed to assign life insurance proceeds. Reporting of sick leave is clarified for reporting to MOSERS. Members are allowed to designate a beneficiary for a final payment of a retirement benefit.

MSEP: Members who terminate employment on or after September 1, 2002, will no longer have the option of cashing out of the system.

MSEP 2000: The act defines responsibilities and obligations for persons employed by the Board to administer disability benefits and establishes appeals procedures. Employees may not receive creditable service in MSEP or MSEP 2000 for period in which the employee participated in a defined contribution plan of a college or university.

The beneficiary of any member who purchased creditable service shall receive a refund upon the members death and the method for calculation of the refund is provided.

JUDGES: Any judge who was a Commissioner or Deputy Commissioner of a Circuit Court prior to August 28, 1999, who has creditable service in MSEP and the judicial plan may consolidate the service under either plan or draw separate retirement benefits from each.


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 Employees Retirement
Missouri Employees State Retirement System

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Missouri State Highway Employees and Patrol Retirement System
Department of Transportation

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

Mickey Wilson, CPA
Acting Director
February 25, 2002