

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3610-01
Bill No.: HB 1148
Subject: Attorneys, County Officials; Retirement - Local Government; Retirement Systems and Benefits - General
Type: Original
Date: March 9, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	(\$121,786 to \$243,060)	(\$121,786 to \$243,060)	(\$121,786 to \$243,060)

***The provisions affecting the Prosecuting Attorney's & Circuit Attorney's Retirement Fund (PACARF) included in this proposal are estimated to increase the Unfunded Actuarial Accrued Liability (UAAL) by \$974,573 to \$1,914,183. The increase in recommended contributions to the PACARF are estimated to be from \$121,786 to \$243,060.**

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Office of State Courts Reporter, Local Government Employees' Retirement System** and **County Employees' Retirement System** assume no fiscal impact to their agencies

The **Joint Committee on Public Employee Retirement** indicated the above reference legislation would indicate that such legislation is a "substantial proposed change" in future plan benefits as defined in Section 105.655(5). Therefore, an actuarial cost statement as defined in Section 105.665 must be provided prior to final action on this legislation by either legislative body or committee thereof.

Pursuant to Section 105.670, this actuarial must be filed with 1) the Chief Clerk of the Missouri House of Representatives, 2) the Secretary of the Senate and 3) the Joint Committee on Public Employee Retirement as public information for at least five (5) legislative days before final passage of the bill.

VL:LR:OD (12/02)

ASSUMPTION (continued)

An actuarial cost statement for this legislation has been filed with the Joint Committee on Public Employee Retirement and is reflected in the attached Pension Impact Statement.

Officials with the **Prosecuting and Circuit Attorney's Retirement Fund** assume this proposal would permit all persons who, by becoming an elected or appointed prosecutor or circuit attorney, become members of the system at any time after August 28, 1996, to claim credit for prior service as a prosecutor or circuit attorney. This would permit some members to vest in a pension who would not otherwise vest, and also, accelerate the time at which others might vest. The actuarial assumptions of the system do not currently take these possibilities into account. The data is not available to estimate with precision the financial impact this would cause on the system. It is estimated, however, that the bill would have the effect of increasing the unfunded accrued liabilities of the system, by over fifty percent (50^%).

	Unfunded Entry Age Normal Recommended	Accrued Liability (Total plan) Contribution
Current Plan	\$2,804,266	\$1,230,101
Additional 5 Years of Prior Service	\$3,778,839	\$1,351,887
Increase	\$ 974,573	\$ 121,786
Additional 10 Years of Prior Service	\$4,718,449	\$1,473,161
Increase	\$1,914,183	\$ 243,060
Expected contribution	N/A	\$1,199,892

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

**COUNTY CONTRIBUTION AND
CRIMINAL COURT CASES**

Cost - County Contribution & Criminal
Court Case Surcharge Contribution

(\$121,786 to
\$243,060)

(\$121,786 to
\$243,060)

(\$121,786 to
\$243,060)

**ESTIMATED NET EFFECT ON
COUNTY CONTRIBUTION AND
CRIMINAL COURT CASES**

(\$121,786 to
\$243,060)

(\$121,786 to
\$243,060)

(\$121,786 to
\$243,060)

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill revises provisions pertaining to the Prosecuting Attorneys and Circuit Attorneys Retirement System.

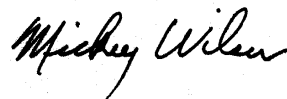
The bill repeals the requirement of full credit for prior service for prosecuting attorneys and circuit attorneys who became members on August 28, 1989, the effective date of the system, and who met certain requirements in fulfilling their prosecutorial duties.

The bill also repeals the requirement that prosecuting attorneys or circuit attorneys who began to perform certain duties on certain dates be allowed to receive prior creditable service in the system for duties performed before the system was established.

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 State Courts Administrator
Local Government Employees' Retirement System
County Employees' Retirement System
Prosecuting and Circuit Attorneys Retirement Fund

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

Mickey Wilson, CPA
Director
March 9, 2004