

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0516-01
Bill No.: HB 263
Subject: Retirement - State; Retirement Systems and Benefits - General; Labor and Industrial Relations Dept.
Type: Original
Date: January 26, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** 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 **Department of Labor and Industrial Relations** assume this proposal adds one new sentence to §287.815.3, RSMo, that requires members of the Labor and Industrial Relations Commission and the chair of the State Board of Mediation to serve 75 percent of a term prior to being eligible to participate in the Administrative Law Judge and Legal Advisor Retirement System. Pursuant to §286.010, RSMo, members of the Labor and Industrial Relations Commission serve six (6) year terms. Pursuant to §295.030.2, RSMo, the chair of the State Board of Mediation serves a three (3) year term. Consequently, this proposal requires members of the Labor and Industrial Relations Commission to serve 54 months (four (4) years and six (6) months) and the chair of the State Board of Mediation to serve 27 month (two (2) years and three (3) months) prior to being eligible to participate in the Administrative Law Judge and Legal Advisor Retirement System. Members who do not meet these thresholds or choose not to participate in the Administrative Law Judge and Legal Advisor Retirement System will be eligible to participate in another state retirement system.

ASSUMPTION (continued)

There is no fiscal impact to the Department of Labor and Industrial Relations.

Officials with the **Missouri State Employees Retirement System** assume no fiscal impact to their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<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 bill states that any person appointed to the Labor and Industrial Relations Commission of Missouri or the State Board of Mediation will have to serve at least 75% of a term before qualifying for benefits under the Administrative Law Judges and Legal Advisors' Retirement Plan (ALJLAP).

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
Department of Labor and Industrial Relations
Missouri State 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
January 26, 2005