

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1237-01  
Bill No.: HB 411  
Subject: Elementary and Secondary Education Dept: Retirement - Schools; Teachers  
Type: Original  
Date: February 22, 2005

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**FISCAL SUMMARY**

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

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

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

The **Joint Committee on Public Employee Retirement (JCP)** and states there would be no increased actuarial cost to the system for this legislative proposal. JCP has determined an actuarial study is not needed under the provisions of section 105.660 (5).

According to officials with the **Public School Retirement System (PSRS)**, this proposal creates an additional type of working after retirement classification for retirees of the PSRS. HB 411 will enable PSRS retirees to work in a school district between 550 and 800 hours (with a 75% earnings limit) without experiencing a loss of PSRS retirement benefits. The proposal requires employer contributions for the retired member working in this capacity. This provision will add a third classification of retirees. Currently, PSRS statutes allow retirees to work up to 550 hours (with a 50% earnings limit) without a loss of retirement benefits or up to two years, without a loss of benefits, in a critical shortage area as determined by statute requirements of districts.

This proposal will have no fiscal effect on PSRS if employer contributions are made as required in the proposed legislation.

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

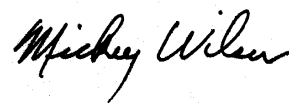
DESCRIPTION

This proposal allows a retired teacher to work between 550 and 800 hours in a certified staff position without losing his or her retirement benefit under the Public School Retirement System. The teacher may earn up to 75% of the annual compensation for that position but will not contribute to the retirement system during the period of service. However, the district will be required to contribute the regular contribution percentage based on the wages earned. No service credit will be accrued by the person.

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 Employment  
Public School Retirement System



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