

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1348-01
Bill No.: HB 606
Subject: Law Enforcement Officers and Agencies; Retirement - Local Government; St. Louis
Type: Original
Date: March 9, 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	(Unknown)	(Unknown)

*** This proposal will increase the St. Louis Police Retirement System’s Unfunded Actuarial Accrued Liability (UAAL) by an unknown amount and will result in an increase in employer contributions.**

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).

It should be noted, however that provisions contained in this proposal will increase the St. Louis Police Retirement System’s Unfunded Actuarial Accrued Liability (UAAL) and will result in an increase in annual employer contributions.

Officials with the **City of St. Louis** assume this proposal would increase the annual cost to the City of St. Louis, but without an actuarial cost study one cannot properly estimate the cost.

As of 9/30/04 the Police Retirement System reported unfunded liabilities of \$127.7 million dollars, any additional benefits being passed would increase that unfunded liability.

Officials with the **County Employees Retirement System** and **Kansas City Police Retirement System** assume no fiscal impact to their agency.

ASSUMPTION (continued)

A response was not received from **St. Louis Police Retirement System** and **St. Louis Metro Police Department**.

<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>Costs - City of St. Louis</u>	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

*** This proposal will increase the St. Louis Police Retirement System's Unfunded Actuarial Accrued Liability (UAAL) by an unknown amount and will result in an increase in employer contributions.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill changes the laws regarding the Police Retirement System of St. Louis. Currently, increased disability or survivor benefit payments are allowed for each dependent child up to three; and upon the death of a retired member, the surviving spouse receives a benefit of 40% of the deceased member's average final compensation. The bill removes the three child limitation for increased benefits and allows the surviving spouse to receive, for one year, the current benefit that the member was receiving prior to death.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

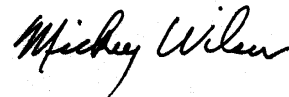
L.R. No. 1348-01
Bill No. HB 606
Page 4 of 4
March 9, 2005

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Local Government Employee Retirement System
County Employee Retirement System
Kansas City Police Retirement System
City of St. Louis

NOT RESPONDING

St. Louis Police Retirement System
St. Louis Metro Police Department



Mickey Wilson, CPA
Director
March 9, 2005