

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1348-02  
Bill No.: HCS for HB 606  
Subject: Law Enforcement Officers and Agencies; Retirement - Local Government; St. Louis  
Type: Original  
Date: March 14, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Total Estimated Net Effect on <u>Other</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 2006</b>	<b>FY 2007</b>	<b>FY 2008</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 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government*</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

**\* 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 unknown 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 **St. Louis Police Retirement System** and **St. Louis Metropolitan Police Department** assume there would be no fiscal impact to their agency.

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.

ASSUMPTION (continued)

Officials with the **County Employees Retirement System** and **Kansas City Police 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>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 unknown 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.

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

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

Mickey Wilson, CPA  
Director  
March 14, 2005