

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4101-01
Bill No.: HB 1357
Subject: Kansas City; Retirement Systems and Benefits - General
Type: Original
Date: February 14, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	*\$174,857	*\$174,857	*\$174,857

***The provisions affecting the Kansas city Civilian Police Employees' Retirement System included in this proposal decrease in the Unfunded Actuarial Accrued Liability (UAAL) by \$1,283,241. The decrease in employer contributions to the system would be \$174,857 (0.72%) annually.**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Public Employee Retirement** indicate that this proposal is a "substantial proposed change" as defined in Section 105.660(5). Therefore, an actuarial cost statement as defined in Section 105.665 must be provided prior to final action on this proposal by either legislative body or committee thereof.

Pursuant to Section 105.670, this actuarial cost statement 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 (JCPER) as public information for at least (5) legislative days before final passage of the bill.

The actuarial cost statement for the proposal has been filed with the JCPER.

Officials from the **Kansas City Police Retirement System** assume the provisions included in this proposal decrease the Unfunded Actuarial Accrued Liability and decrease the employer contributions to the system.

VL:LR:OD (12/02)

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**KANSAS CITY POLICE AND
 CIVILIAN RETIREMENT SYSTEM**

<u>Savings</u> - Decrease in Employer Contributions	<u>\$174,857</u>	<u>*\$174,857</u>	<u>\$174,857</u>
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TOTAL ESTIMATED NET EFFECT ON KANSAS CITY POLICE AND CIVILIAN RETIREMENT SYSTEM	<u>*\$174,857</u>	<u>*\$174,857</u>	<u>*\$174,857</u>
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***The provisions affecting the Kansas city Civilian Police Employees' Retirement System included in this proposal decrease in the Unfunded Actuarial Accrued Liability (UAAL) by \$1,283,241. The decrease in employer contributions to the system would be \$174,857 (0.72%) annually.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

Currently, members who retire from the Police Retirement System of Kansas City and the Civilian Employees' Retirement System of the Police Department of Kansas City are entitled to a supplemental retirement benefit of \$50 per month in addition to the base benefit and cost-of-living increases. To qualify for the \$50 supplemental benefit, this bill requires members retiring after August 28, 2006, to have at least 25 years of creditable service or retire due to injury or illness occurring in the line of duty. The term "member" includes the surviving spouse of a member who qualifies under this provision.

DESCRIPTION (continued)

The bill also eliminates the requirement that the determination of cost-of-living increases to the supplemental benefit be based on advice from the plan's actuary.

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
Kansas City Police 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
February 14, 2006