

HB 319 -- FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

SPONSOR: Villa

COMMITTEE ACTION: Voted "do pass by consent" by the Special Committee on Retirement by a vote of 7 to 0.

This bill changes the laws regarding the Firemen's Retirement System of St. Louis. In its main provisions, the bill:

- (1) Changes the method of calculating the actuarial value of retirement benefits by using the entry age normal funding method and removing the frozen initial liability;
- (2) Allows the board of trustees of the retirement system to retain a legal advisor and consultant other than the city counselor;
- (3) Allows the beneficiary of a member who dies, while actively employed and participating in the Deferred Retirement Option Plan (DROP), to choose a lump sum payment or a periodic payment; and
- (4) Allows members retiring due to accidental disability, who are participating or have participated in the DROP, to receive their monthly retirement benefit, the DROP accumulation, and any other authorized benefits.

FISCAL NOTE: No impact on state funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that the bill is changing the funding methodology on the recommendation of the Governmental Accounting Standards Board which will save the system approximately \$1.7 million per year. The changes regarding the disability retirement benefits will also be helpful for firefighters who have been injured on the job.

Testifying for the bill were Representative Villa; and Bruce Williams, International Association of Firefighters, Local 73.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that in the retirement plan, the employees' contribution rate is fixed; however, the employer's rate will change from year to year based on changes to the actuarial value of the system.

Testifying on the bill was Claire West, St. Louis Task Force on Pensions.