

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2321-03
Bill No.: HCS for HB 947
Subject: Retirement - Local Government; Retirement Systems and Benefits - General; Law Enforcement Officers and Agencies
Type: Original
Date: March 18, 2009

Bill Summary: Modifies disability retirement provisions of the Police Retirement System of St. Louis. Modifies provisions relating to the Police Department Civilian Employees' Retirement System

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	(\$8,800)	\$0

***This proposal will increase the Kansas City Police Department Retirement System Unfunded Actuarial Accrued Liability (UAAL) by \$130,000 and increase employer contributions by \$8,800 FY 2011.**

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).

Officials from the **St. Louis Police Officers Retirement System** assume there will be no fiscal impact to their agency.

Officials from the **Kansas City Police Department Retirement System** assume the proposal would allow four widows and one retired member of the Police Retirement System of Kansas City, Missouri to receive a \$600 minimum monthly pension benefit. Members who retired on a non-duty disability or widows whose husbands died in service were not addressed in the 2000 legislative change.

Using assumptions from the April 30, 2008 actuarial valuation for the Police Retirement System, and using a 20 year amortization period the actuary estimated an \$8,800 increase in employer contributions for FY2010 and an increase in the unfunded actuarial accrued liability of \$130,000.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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KANSAS CITY POLICE DEPARTMENT RETIREMENT SYSTEM*	<u>\$0</u>	<u>(\$8,800)</u>	<u>\$0</u>
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***This proposal will increase the Kansas City Police Department Retirement System Unfunded Actuarial Accrued Liability (UAAL) by \$130,000 and increase employer contributions by \$8,800 for FY 2011.**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Changes the laws regarding retirement based on disability in the Police Retirement System of St. Louis.

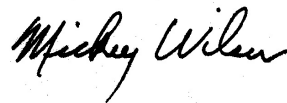
The substitute changes the retirement benefits of any member of the Police Retirement System of Kansas City who retired due to being permanently disabled or any eligible surviving spouse of a member who died in service on or before August 28, 2009. If the member's or surviving spouse's current retirement benefit is less than \$600 per month, excluding supplemental retirement benefits, the benefit will increase to \$600 per month until the member's or surviving spouse's current total base pension and cost-of-living adjustments exceed \$600 per month.

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

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SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
St. Louis Police Officers Retirement System
Kansas City Police Officers Retirement System



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March 18, 2009