

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4542H.01I
 Bill No.: HB 2144
 Subject: Retirement - Schools; Retirement Systems and Benefits - General; State Employees; Teachers; Department of Elementary and Secondary Education
 Type: Original
 Date: March 4, 2026

Bill Summary: This proposal increases the Public School Retirement System (PSRS) one-time death benefit payment to \$10,000 for retiree member deaths arising on or after August 28, 2026.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§169.070 – Death Benefit Payments

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** state JCPER’s review of this proposal indicates that its provisions may constitute a “**substantial proposed change**” in future plan benefits as defined in section 105.660(10). It is impossible to accurately determine the fiscal impact of this legislation without an actuarial cost statement prepared in accordance with section 105.665. Pursuant to section 105.670, an actuarial cost statement must be filed with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information for at least five legislative days prior to final passage.

Officials from the **Public Schools and Education Employee Retirement Systems (PSRS/PEERS)** note the following:

Fiscal Impact

The estimated impact to the actuarial liabilities and actuarially determined contribution rates of the Public School Retirement System (PSRS) and the Public Education Employee Retirement System (PEERS) (collectively, the Systems) are as follows:

Public School Retirement System:

- \$137.8 million increase to actuarial liability
- 0.19% increase to actuarially determined contribution rate *

Public Education Employee Retirement System:

- Not applicable

* * The total contribution rates approved by the PSRS and PEERS Board of Trustees are shared equally by actively working members (via withholding from their applicable earnings) and their employers.

Bill Summary

The Bill would amend paragraph 21 of Section 169.070 of the Revised Statutes of the State of Missouri (RSMo) relating to the one-time lump sum post-retirement death benefit paid upon the death of retired PSRS members to increase the amount of the death benefit from \$5,000 to \$10,000 for deaths occurring on or after August 28, 2026.

Analysis of impact on PSRS and PEERS

HB 2144 provides an enhanced benefit to members of PSRS. The Systems engage an actuarial firm, PwC US (PwC), that prepares annual actuarial valuations of the liabilities of the Systems and actuarial cost statements related to proposed legislation. The actuarial liability associated

with the current \$5,000 death benefit upon the future deaths of current PSRS members as valued in the most recent actuarial valuation of PSRS was \$137.8 million. Doubling the death benefit payment upon future (after August 28, 2026) member deaths is therefore estimated to double the value of the actuarial liability associated with death benefit. The Systems provide retirement benefits to approximately 133,000 active members and 113,000 retired Missouri public school teachers, school employees, and their families. The total invested assets of both PSRS and PEERS were \$62.8 billion as of June 30, 2025.

Oversight notes:

According to the 2025 Annual Comprehensive Financial Report, PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2025, 2024, and 2023. Employer contributions to PSRS totaled \$848,104,682 for the 2025 fiscal year. Covered pay roll totaled \$5,848,997,807 for the 2025 fiscal year.

Oversight assumes an increase of .095% (half of 0.19% increase to actuarially determined contribution rate as provided by PSRS/PEERS) would result in an annual cost of \$5,556,548 to school districts. ($\$5,848,997,807 \times .095\%$)

For fiscal note purposes, Oversight will reflect an Unknown cost to local school districts beginning in FY 2028.

Oversight has requested additional information from PSRS/PEERS regarding this proposal. Upon the receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – School Districts/Community Colleges (\$169.070) Increase in employer contributions p.3-4</u>	\$0	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0	(Unknown)	(Unknown)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, the death benefit for members of the Missouri public school retirement system is \$5,000. This bill raises such death benefit to \$10,000 beginning August 28, 2026.

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
 Public Schools and Education Employee Retirement Systems



Julie Morff
 Director
 March 4, 2026



Jessica Harris
 Assistant Director
 March 4, 2026