

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4480-01
Bill No.: HB 2106
Subject: General Assembly Retirement - State Retirements Systems and Benefits - General
Type: Original
Date: March 20, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Various State Funds	\$0	(\$200,000)	(\$200,000)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$200,000)	(\$200,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government			

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Highway and Transportation Employees' and Highway Patrol Retirement System** assume there will be no effect on their agency.

Officials of the **Office of Administration** assume there may be a fiscal impact from this legislation. However, the Missouri State Employees Retirement System (MOSERS) will be determining any possible cost through an actuarial report in the rate it certifies to the **Office of Administration**.

The **Joint Committee on Public Employee Retirement** indicated the above-referenced legislation would indicate that such legislation is a "substantial proposed change" in future plan benefits as defined in Section 105.665(5). Therefore, an actuarial cost statement as defined in Section 105.665 must be provided prior to final action on this legislation 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 Senate and 3) the Joint Committee on Public Employee Retirement as public information for at least five (5) legislative days before final passage of the bill.

An actuarial cost statement for this legislation has not been filed with the Joint Committee on Public Retirement. It would be impossible to accurately determine the fiscal impact of this proposed legislation without the actuarial cost statement prepared in accordance with Section 105.665.

Officials with the **Missouri State Employees' Retirement System (MOSERS)** assume that the proposal will increase the current legislative benefit formula in the Missouri State Employees (MSEP) from \$150 multiplied by the number of biennial assemblies to \$160 multiplied by the number of biennial assemblies. In addition, the proposal also contains special consultant language that would allow any former member of the general assembly who had served at least two full biennial assemblies to receive retirement benefits under MSEP. (This provision changes the vesting requirement from three biennial assemblies to two biennial assemblies.)

FISCAL IMPACT - State Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

VARIOUS STATE FUNDS

VL:LR:OD (12/00)

<u>Costs - Various State Agencies</u>	<u>\$0</u>	<u>(\$200,000)</u>	<u>(\$200,000)</u>
Additional MOSERS Contributions			

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
---	---------------------	---------	---------

	\$0	\$0	\$0
--	-----	-----	-----

FISCAL IMPACT - Small Business

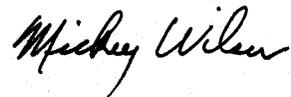
No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill gives members of the General Assembly full retirement benefits if they serve at least two full biennial assemblies. Under current law, a member must serve three full biennial assemblies.

SOURCES OF INFORMATION

Highway Department and Highway Patrol Employees Retirement System
MOSERS
Office of Administration
Joint Committee on Public Employee Retirement



Mickey Wilson, CPA
Acting Director
March 20, 2002