

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0788-02
Bill No.: Perfected SCS for SB's 212 & 220
Subject: Retirement systems and Benefits - General; Law Enforcement Officers and Agencies
Type: Original
Date: March 4, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other 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 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement** indicates that this legislation does not represent a “substantial proposed change” in future plan benefits as defined in Section 105.660(5), and, as such, an actuarial cost statement is not required.

Officials with the **Local Government Employees Retirement System** assume the proposal has no fiscal impact on their agency.

Officials with the **Kansas City Police Retirement System (KCPRS) and City of Kansas City** assume the proposal will have no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	\$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 act revises certain provisions of the police retirement systems in Kansas City. The act makes the plans consistent with the provisions of Section 401(a) of the Internal Revenue Code. A member's benefit shall be vested upon the earlier of completing 25 years of service, age 60 with 10 years of service, or age 70 regardless of years of service.

This act also allows members of the Kansas City Police Retirement System to receive their retirement benefits in a partial lump sum. The act allows members with at least 26 years of service to receive an optional distribution under a partial lump-sum option plan. Requirements to make the election are provided. The method for calculating the amount of the lump sum distribution is provided. If a member chooses a lump sum distribution the base pension amount will be reduced according to the provisions in the act.

The act changes the membership of the retirement board. The board will consist of five members. If the city has a civilian employees' retirement system, the five members will consist of one retired member of the police retirement system, one active member of the police retirement system, one member of the civilian employees' retirement system and two other members who are elected. If the city does not have a civilian employees' retirement system, the one member of the civilian employees' retirement system is replaced by another at large member. The method for election to these positions is specified.

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
Local Government Employees Retirement System
Kansas City Police Retirement System
City of Kansas City



Mickey Wilson, CPA
Director
March 4, 2003