

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0788-03
Bill No.: Truly Agreed to and Finally Passed HCS for SCS for SB's 212 & 220
Subject: Retirement systems and Benefits - General; Law Enforcement Officers and Agencies
Type: Original
Date: May 19, 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 5 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, Kansas City Police Retirement System (KCPRS), City of Kansas City, Department of Public Safety - Missouri Highway Patrol, Division of Budget and Planning, City of Jefferson City, and City of Springfield** assume the proposal has 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.

The Kansas City Police Department is required to grant authorized leave with pay to active police officers and civilian employees to attend educational seminars and similar functions for a period not to exceed 10 days in any calendar year. The bill requires that the educational seminars and similar functions be authorized by the Retirement Board.

If the City of Kansas City and the Kansas City Police Department adopt a program of incentives to encourage early retirement of members, the board is authorized to administer and pay the incentives established by the program. This provision is contingent upon the city requesting and

agreeing to increase financial contributions to the police retirement system.

DESCRIPTION (continued)

The bill also requires a funeral benefit of \$1,000 to be paid in addition to all other benefits for a civilian employee. Proper proof of death is required. If the funeral benefit for a civilian employee is less than the employees accumulated contributions, an amount equal to the difference is required to be paid to the employee's designated beneficiary or to the personal representative.

This proposal authorizes the Superintendent of the State Highway Patrol to prescribe policies providing for increases in the salaries of the members of the Patrol. Each year, prior to the first of January, the superintendent is to submit a salary schedule report to the Governor, Speaker of the House of Representatives, and President Pro Tem of the Senate. In addition to other matters deemed pertinent, a comparison of the salaries of police officers of the three largest police departments in the state is to be included in the report. The salary schedule report is to be assigned to the appropriate standing committees to ensure parity in the salary of the members of the Patrol and officers of the three largest police departments it maintained.

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
Local Government Employees Retirement System
Kansas City Police Retirement System
City of Kansas City
Department of Public Safety -
 Missouri State Highway Patrol
Division of Budget and Planning
City of Jefferson City
City of Springfield

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA

Director

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