

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4604-01
Bill No.: Truly Agreed to and Finally Passed HB 1502
Subject: Retirement - Schools; Retirement Systems and Benefits - General; Teachers
Type: Original
Date: June 2, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> 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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

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 with the **Public School Retirement System, Department of Elementary and Secondary Education** and **Kansas City Public School Retirement System** assume no fiscal impact to their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill changes the laws regarding the Kansas City Public School Retirement System. The bill:

(1) Revises the definition of "break in service" to include when a regular employee ceases to be employed and then becomes re-employed after 60 consecutive calendar days have elapsed or after 15 consecutive school or work days have lapsed, whichever occurs later. This definition also applies when a regular employee retires under Section 169.280, RSMo, pertaining to the Kansas City Public School Retirement System, who later becomes re-employed after 15 consecutive school days or work days have elapsed;

(2) Revises the definition of "minimum normal retirement age" to the earlier of the date a member reaches 60 years of age or the date a member has a total of at least 75 credits, with each year of creditable service and each year of age equaling one credit. Both years of creditable service and age will be prorated for fractional years;

(3) Increases the number of members on the medical board of the retirement system to three or more physicians;

(4) Allows the board of trustees of the retirement system to employ one or more banks having fiduciary powers to assist the treasurer of the system in administering retirement funds;

(5) Revises provisions regarding the development of rules and regulations used to determine claims of creditable service by eligible members, the certification of a disability for eligible members, and the suspension and computation of a retirement allowance received by a member who earns additional income by becoming re-employed in the retirement system;

(6) Prohibits accumulated contributions from being paid to a member before incurring a break in service; and

DESCRIPTION (continued)

(7) Removes a section regarding the granting of prior service credit for a member who is employed by the Kansas City Public School District before January 1, 1944, and who becomes re-employed after January 1, 1944.

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 School Retirement System
Kansas City Public School Retirement System



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Director
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