

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4055-01
Bill No.: HB 1669
Subject: Veterans; Retirement Systems and Benefits - General
Type: Original
Date: February 13, 2008

Bill Summary: Requires that certain veterans who have been state employees for a specified period of time and who meet certain eligibility requirements be given two years of creditable service in MOSERS

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$998,664)	(\$1,198,397)	(\$1,198,397)
Total Estimated Net Effect on General Revenue Fund*	(\$998,664)	(\$1,198,397)	(\$1,198,397)

*** This proposal will increase the Missouri State Employees' Retirement System Unfunded Actuarial Accrued Liability (UAAL) by \$14,000,000 and increase employer contributions by \$1,997,329 annually (0.10%)**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Other Various Funds	(\$665,777)	(\$798,932)	(\$798,932)
Total Estimated Net Effect on Other State Funds*	(\$665,777)	(\$798,932)	(\$798,932)

*** This proposal will increase the Missouri State Employees' Retirement System Unfunded Actuarial Accrued Liability (UAAL) by \$14,000,000 and increase employer contributions by \$1,997,329 annually (0.10%)**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 from the **Missouri State Employees Retirement System (MOSERS)** assume the primary effect of this proposal would be to allow all state employees who have been employed for ten or more years who have met the previously stated criteria to be given two years of creditable service in MOSERS. As proposed eligible members who have already purchased up to four years of military service may also receive two additional years of creditable service free of charge.

Officials from the **MoDOT & Patrol Employees' Retirement System (MPERS)** assume their agency is not named in the proposal; therefore, the proposal will have no fiscal impact on MPERS.

Officials from the **Department of Labor and Industrial Relations** assume an unknown fiscal impact on their agency.

Oversight assumes the fiscal impact stated by MOSERS will include any fiscal impact for the Department of Labor and Industrial Relations.

Officials from the **Office of Administration** assume the fiscal impact of this proposal will be provided by MOSERS and other retirement systems.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Increase - Employer Contributions</u>	<u>(\$998,664)</u>	<u>(\$1,198,697)</u>	<u>(\$1,198,697)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE*	<u>(\$998,664)</u>	<u>(\$1,198,697)</u>	<u>(\$1,198,697)</u>
OTHER VARIOUS FUNDS			
<u>Increase - Employer Contributions</u>	<u>(\$665,777)</u>	<u>(\$798,932)</u>	<u>(\$798,932)</u>
ESTIMATED NET EFFECT ON OTHER VARIOUS FUNDS*	<u>(\$665,777)</u>	<u>(\$798,932)</u>	<u>(\$798,932)</u>

*** This proposal will increase the Missouri State Employees' Retirement System Unfunded Actuarial Accrued Liability (UAAL) by \$14,000,000 and increase employer contributions by \$1,997,329 annually (0.10%)**

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

FISCAL DESCRIPTION

The proposed legislation requires that certain veterans who have been state employees for a specified period of time and who meet certain eligibility requirements be given two years of creditable service in MOSERS.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 4055-01
Bill No. HB 1669
Page 5 of 5
February 13, 2008

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Missouri State Employees' Retirement System
MoDOT & Patrol Employees' Retirement System
Department of Labor and Industrial Relations
Office of Administration



Mickey Wilson, CPA
Director
February 13, 2008