

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1813-04
Bill No.: SCS for HCS for HB 722
Subject: St. Louis; Retirement Systems and Benefits - General; Retirement - Local Government; Law Enforcement Officers and Agencies
Type: Original
Date: May 9, 2013

Bill Summary: This proposal modifies provisions relating to the Police Retirement System of St. Louis.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</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 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	(\$24,118)	(\$28,941)	(\$28,941)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Public Retirement** state that this legislation would not create a substantial proposed change in future plan benefits as defined in Section 105.660(10).

In response to a similar version of this proposal, officials from the **St. Louis Police Retirement System** assumed the proposal reduces non-duty disability vesting requirement from 10 years to 5 years and modifies disability determinations from the Retirement System Board of Trustees and Medical Director to the Board of Police Commissioners or successor body and a Medical Board. The provisions included in this proposal affecting St. Louis Police Retirement System would result in an increase to the employer contribution of approximately \$28,941 (.04%) annually.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2014 (10 Mo.)	 FY 2015	 FY 2016
LOCAL GOVERNMENT			
<u>Costs - City of St. Louis</u>			
Increase in employer contribution	<u>(\$24,118)</u>	<u>(\$28,941)</u>	<u>(\$28,941)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>(\$24,118)</u>	<u>(\$28,941)</u>	<u>(\$28,941)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, any member of the Police Retirement System of St. Louis who has completed at least 10 years of creditable service and has become permanently unable to perform the duties of a police officer as the result of an injury or illness not exclusively caused or induced by the

FISCAL DESCRIPTION (continued)

performance of his or her official duties or by his or her own negligence will be retired by the Board of Police Commissioners. This proposal lowers the creditable service requirement to five years, once the system's funded actuarial ration reaches eighty percent (80%).

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 Retirement
St. Louis Police Retirement System



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Acting Director
May 9, 2013