

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1941-01
Bill No.: SB 502
Subject: Education–Elementary & Secondary; DESE; Marriage & Divorce;
Retirement–Schools
Type: Original
Date: February 23, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Public School Retirement System** and the **Joint Committee on Public Employee Retirement** indicate the proposed legislation does not represent a “substantial proposed change” in future plan benefits as defined by Section 105.660(5). As such, an actuarial cost statement is not required.

Officials with the **Office of Administration** note that the fiscal impact of the proposal should be determined by the Public School Retirement System.

Oversight assumes minimal or no impact to the system as a result of the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<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

Both teacher and non-teacher members of the Public School Retirement System who elected a reduced retirement allowance with the member's spouse named as the beneficiary will receive an increase in the member's retirement allowance if the member divorces the spouse beneficiary after the member's retirement. Upon the divorce of the member and beneficiary spouse, the member's retirement allowance will increase to the amount that the member would have received if that member choose a plan as an individual, rather than as a married person.

Currently, the member would only be able to name a subsequent spouse as a beneficiary and only if the divorce decree provided for sole retention of the retirement plan by the member.

DESCRIPTION (continued)

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
Office of Administration
Public School Retirement System



Jeanne Jarrett, CPA
Director

February 23, 2001