

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4121-01
Bill No.: HB 1044
Subject: Political Subdivisions; Retirement - Local Government; Retirement Systems and Benefits - General
Type: Original
Date: December 18, 2013

Bill Summary: This proposal changes the laws regarding local government retirement systems.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Public Retirement and County Employees Retirement Fund** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Local Government Employees Retirement System (LAGERS)** assume this proposal would have no fiscal impact on their system. It is anticipated to have no cost or a potential cost savings to local governments by effectively transferring the legacy plan administration into LAGERS thereby taking advantage of the efficiencies and scale of LAGERS. The decision to elect LAGERS administration is voluntary to local governments.

All plans would be reviewed on an individual basis to assess administrative needs of the transition into LAGERS administrative framework. Initial costs, if any, for programming and other needs, as well as any additional administration work, will be borne by the legacy plan and not LAGERS. These costs would be mutually agreed upon by LAGERS and the local employer prior to LAGERS administration election. It is anticipated that any legacy plan cost will be more than offset from realized cost savings by LAGERS overall administration.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

LO:LR:OD

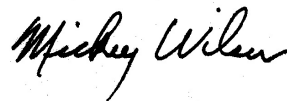
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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
County Employees Retirement Fund
Missouri Local Government Employees Retirement System



Mickey Wilson, CPA
Director
December 18, 2013

Ross Strobe
Assistant Director
December 18, 2013