

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1627-01
Bill No.: HB 819
Subject: Retirement - Local Government; Law Enforcement Officers and Agencies
Type: Original
Date: April 6, 2017

Bill Summary: This proposal modifies provisions related to the retirement of police officers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Public Retirement** assume this legislation would not create a "substantial proposed change" in future plan benefits as defined in Section 105.660(10). Therefore, an actuarial cost statement is not required.

St. Louis Police Retirement System as of October 1, 2015

		<u>Funded Ratio</u>
Assets: Market Value	\$684,894,768	75.9%
Actuarial Value	\$720,811,717	79.9%
Liabilities:	\$901,758,011	

Actuarially Determined Contribution Rate (PY 16)

Employer:	42.81%	\$30,778,664
Employee:	<u>7.00%</u>	<u>\$4,670,736 (estimate)</u>
Total:	49.81%	\$35,449,400 (estimate)

Covered Payroll: \$66,724,796

Active Membership: 1,077
Inactive Membership: 2,068

St. Louis Employees Retirement System as of October 1, 2015

		<u>Funded Ratio</u>
Assets: Market Value	\$727,997,133	76.2%
Actuarial Value	\$770,006,025	80.6%
Liabilities:	\$955,120,641	

Actuarially Determined Contribution Rate (PY 16)

Employer:	12.51%	\$28,534,042
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Covered Payroll: \$228,422,585

Active Membership: 5,359
Inactive Membership: 6,888

ASSUMPTION (continued)

Officials from the **St. Louis Police Retirement System** assume the proposal will have no fiscal impact on their organization.

The **City of St. Louis** did not respond to our request for fiscal impact.

Oversight assumes this proposal will not have a significant fiscal impact on the City of St. Louis.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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 appears to have no direct 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 Employee Retirement
St. Louis Police Retirement System

Mickey Wilson, CPA

Director
April 6, 2017



Ross Strobe
Assistant Director
April 6, 2017