

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6567-01
Bill No.: SB 1065
Subject: Retirement - State; Highway Patrol; Law Enforcement Officers and Agencies
Type: Original
Date: March 7, 2016

Bill Summary: This proposal changes the age of mandatory retirement to sixty-five for uniformed members of the highway patrol.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration** assume the current proposal would not fiscally impact their agency.

Officials from the **Joint Committee on Public Employee Retirement** assume this proposal may constitute a substantial proposed change in future plan benefits as defined in Section 105.660(10) RSMo.

MPERS
As of June 30, 2015

Market Value:	\$2,009,367,134	Funded Ratio:	54%
Actuarial Value:	\$1,967,001,509	Funded Ratio:	53%
Liabilities:	\$3,715,845,651		

Current Annual Required Contribution Rate (16/17)

Employer (Uniformed):	58%	\$51,311,828	(est)
Employer (Non-Uniformed)	58%	\$156,455,012	(est)
Employee:	04%	(hired after 01/01/11)	

Covered Payroll: \$342,264,593

Officials from the **Missouri Highway Patrol** defer to MoDOT and Patrol Employees Retirement System for fiscal impact.

Officials from the **MoDOT and Patrol Employees Retirement System (MPERS)** assume this proposal, if enacted, would increase the mandatory retirement age to 65 from 60. The fiscal impact of this proposal is estimated to result in a very small reduction in costs. The uniformed employer rate could see a decrease of 0.30% of payroll on the uniformed employer rate.

For fiscal note purposes, **Oversight** will assume the reduction in costs will not be substantial and will not show an impact to the MPERS or to any of the state funds which contribute to the MPERS.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

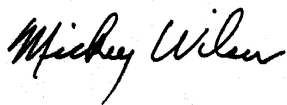
FISCAL DESCRIPTION

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

Office of Administration
Joint Committee on Public Employee Retirement
MoDOT and Patrol Employees Retirement System
Missouri Highway Patrol



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