

# FISCAL NOTE

**Bill #:** HB0116

**Title:** Generally revise the PERS defined contribution retirement plan

**Primary Sponsor:** Douglas Mood

**Status:** Reference Bill As Amended

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2002 Difference</u></b>	<b><u>FY2003 Difference</u></b>
<b>Expenditures:</b>		
Other (PERS Trust Fund)	782,144	0
<b>Revenues:</b>		
Other	0	0
<b>Net Impact on General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

## Fiscal Analysis

### ASSUMPTIONS:

1. The total PERS covered payroll for FY 2002 is estimated to be \$782.1 million
2. These calculations were made under the assumption that this is the only provision being considered. If other provisions are enacted, the cost associated with this provision may be different.
3. Increasing vesting to 5 years will increase the amount of money collected under forfeitures. The forfeitures will be used to pay administrative expenses and to repay the loan for the start-up cost of the DC plan. Additional money from forfeitures means member accounts will be assessed at a lower rate to pay administrative expenses and to repay the loan.

4. There is no impact on the general fund. This bill will transfer money from the Public Employees' Retirement System Trust Fund to the Public Employees' Retirement System Education Fund. The money will come from contributions employers pay into the PERS Trust Fund; however, the bill will not increase the contributions the employers pay

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Expenditures:</u>		
Transfers (PERS DC Education Fund)	782,144	0
<u>Funding:</u>		
Other (PERS Trust Fund)	782,144	0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
Other (PERS Trust Fund)	(\$782,144)	\$0