

FISCAL NOTE

Bill #: HB0584

Title: Allow certain retired teachers to work without loss of retirement benefits

Primary Sponsor: Nancy Fritz

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY2002 Difference	FY2003 Difference
Expenditures:	Unknown	Unknown
Revenues:	Unknown	Unknown
Net Impact on General Fund Balance:	Unknown	Unknown

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	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:

Teachers' Retirement System

1. A retired teacher or specialist may be reemployed part-time or full-time by a school district, the Pine Hills youth correctional facility, the riverside correctional facility, or the Montana School for the Deaf and Blind and not participate in the Teachers' Retirement System as an active member.
2. Neither the reemployed retired teacher nor their employer would contribute to the Teachers' Retirement System under sections 19-20-602 or 19-20-605, MCA.
3. The retired member would not earn additional retirement benefits.
4. The retired member could change his/her election, become an active member again, stop receiving benefits, start making contributions, and earn a second retirement benefit that would be in addition to their original benefit. The original benefit would not be recalculated
5. Administrative expenses for the required reporting, accounting, and system modifications will not exceed \$2,000 in each year of the biennium

6. Determining the cost of this type of provision is complicated by the assumptions which must be made, including: the number of retired members who would elect this option; the length of time the members would continue to work; the choice of the member to elect to become an active member again and how long; the impact on the overall retirement patterns; and the impact on future contributions. An extensive study would be required to determine reasonable assumptions; therefore, the Teachers' Retirement System is unable to determine the cost of this proposal at this time.

Office of Public Instruction

7. The Office of Public Instruction can meet the requirements of HB 584 with existing resources.

TECHNICAL NOTES:

Office of Public Instruction

1. Section 1 of HB 584 requires a district to report each month to OPI the name, social security number, and gross earnings of each teacher or specialist employed in the preceding month. OPI does not need to collect a monthly report in order to provide an annual summary of the impacts of HB 584. OPI could collect this information annually from the Teachers' Retirement System.