

FISCAL NOTE

Bill #: SB0089

Title: Reduce waiting period for guaranteed annual benefit adjustment to 1 year

Primary Sponsor: Mignon Waterman

Status: As Introduced

Sponsor signature Date

Chuck Swysgood, Budget Director Date

Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
Other (Retirement trust funds)	6,100,000	6,100,000
Revenue:		
Other	0	0
Net Impact on General Fund Balance:	\$0	\$0

<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:

1. This benefit enhancement will be provided to all retirement systems administered by the Public Employees' Retirement Board.

2. This bill will increase the normal cost of each retirement system as follows:
 - a. Public Employees' from 10.69 to 11.01% of covered payroll
 - b. Municipal Police Officers' from 23.52 to 24.13% of covered payroll
 - c. Game Wardens' and Peace Officers' from 13.91 to 14.33% of covered payroll
 - d. Sheriffs' from 16.63 to 17.13% of covered payroll
 - e. Highway Patrol Officers' from 17.72 to 18.22% of covered payroll
 - f. Firefighters' from 22.44 to 23.01% of covered payroll.
3. The retirement system trust funds will absorb the cost of this benefit enhancement.
4. 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.

FISCAL IMPACT:

	<u>FY2002</u>	<u>FY2003</u>
	<u>Difference</u>	<u>Difference</u>
<u>Expenditures:</u>		
Benefits	\$6,100,000	\$6,100,000
<u>Funding:</u>		
Other (Retirement trust funds)		
Public Employees'	5,200,000	5,200,000
Municipal Police Officers'	300,000	300,000
Game Wardens' and Peace Officers'	100,000	100,000
Sheriffs'	200,000	200,000
Highway Patrol Officers'	100,000	100,000
Firefighters'	<u>200,000</u>	<u>200,000</u>
TOTAL	\$6,100,000	\$6,100,000
<u>Revenues:</u>		
Other	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
Other (Retirement trust funds)	(\$6,100,000)	(\$6,100,000)

LONG-RANGE IMPACTS:

The same funding will be required of the retirement trust funds for the years beyond the biennium.