

**PENSION FUND FISCAL NOTE**  
(Sample Draft for Illustration Purposes Only)

Leg Request No:  
Sponsor

Short Title:  
Version

This legislation increases benefits for or modifies the terms and conditions under which members of the \_\_\_\_\_ Retirement System may retire. Because the long term cost of this legislation cannot be reflected in a fiscal note showing only biennial impacts, this fiscal note shows the actuarial costs to fully fund these benefit revisions/increases.

This legislation has been reviewed by the legislative interim committee.	Yes	No
The cost of this legislation has been calculated by the system's actuary.	Yes	No
Does this legislation include funding for any benefit revisions?	Yes	No

The system had a \$530.0 million unfunded actuarial liability as of July 1, 2005. The amount employer/employee contributions must be increased to fully fund this legislation without increasing the amortization period is shown below:

	July 1, 2005 Current System	July 1, 2005 With Changes	Increase/ (Decrease)
Present Value Of Actuarial Liability	\$2,339.70	\$2,559.70	\$220.00
Present Value of Actuarial Assets	\$1,809.70	\$1,809.70	\$0.00
Present Value Increased Contributions		\$220.00	\$220.00
AAL* Unfunded/(Funded)	\$530.00	\$530.00	\$0.00
<b>Employee Contribution Rate</b>			
Employee Contribution Rate	7.15%	8.15%	1.00%
Employer Contribution Rate	7.58%	10.60%	3.02%
Total Contribution Rate	14.73%	18.75%	4.02%
<b>Amortization Period of AAL (Years)</b>			
Amortization Period of AAL (Years)	23.40	23.40	0.00

\* AAL = Actuarial Accrued Liability

Biennial Fiscal Impact	FY xxxxx	FY xxxxx	Biennium
General Fund			
Federal Special Revenue			
State Special Revenue			
Proprietary			
Local Government			
<b>Total</b>			

STATE ADMINISTRATION/VETERANS' AFFAIRS  
OCTOBER 6, 2005 MEETING

EXHIBIT 6