



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Pension Fund Fiscal Note 2021 Biennium

Bill # HB0642

Title: Revise penalty and interest on late pension contributions

Primary Sponsor: Hamilton, Jim

Status: As Introduced

Retirement Systems Affected: Teachers Public Employees Highway Patrol Police
 Sheriffs Firefighters Volunteer Firefighters Game Wardens Judges


Check the box if "Yes".


- Has this legislation been reviewed by the legislative interim committee?
- Has the cost of this legislation been calculated by the system's actuary?
- Does this legislation include full funding for any benefit revisions?

FISCAL SUMMARY

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 642 revises penalty and interest provisions on late pension contributions. Because of the adjustable nature of the fed prime rate under this proposed legislation, and the unknown factor of how many employers, if any, will report late each year, it is impossible to ascertain a concrete fiscal impact for the agency. Given the small amount of penalties assessed by MPERA in any given fiscal year in relation to the total raw assets of the retirement system, any change in penalty amounts assessed from year-to-year are assumed to be immaterial in relation to assets held in trust.


3/12/19
 Sponsor's Initials Date


3/19/19
 Budget Director's Initials Date