

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 198(STA)
 (H) Publish Date: 4/26/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: An Act relating to a post-retirement pension BRU: Special Systems
adjustment and cost-of living allowance.... Component: EPORS
 Sponsor: Representative Hudson
 Requester: (H)State Affairs Component Number: 964

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	47.6	56.9	66.4	67.6	67.8	68.0
Miscellaneous						
TOTAL OPERATING	47.6	56.9	66.4	67.6	67.8	68.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	47.6	56.9	66.4	67.6	67.8	68.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	47.6	56.9	66.4	67.6	67.8	68.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See page 2 for analysis.

Prepared by: Guy Bell, Director Phone 465-4471
 Division: Retirement and Benefits Date/Time 04/25/01
 Approved by: Jim Duncan, Commissioner Date April 25, 2001
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

CS House Bill 198(STA) Fiscal Note #1 Analysis (continued)

This legislation would add a Post Retirement Pension Adjustment for Elected Public Officers Retirement System beneficiaries:

FY 02 Cost \$47.6

EPORS retirement benefits are based on the salary of the position last held by the retiree. Therefore, as incumbent salaries rise (or fall), so do the benefits of the retirees. The PERS and TRS systems have post retirement pension adjustment provisions, which provide an automatic adjustment based on the rate of inflation. This bill would add a similar provision for those participants who have received benefits for 15 years and not received any increase during that time. Eligible participants would receive an increase of 75% of the increase in the cost of living since the retirement benefit was last adjusted, or since the member retired, whichever is later.

If the salary of the position last held by the retiree increases subsequent to the addition of the Post Retirement Pension Adjustment, the member's retirement benefit is not increased until the adjustment based on the salary increase is more than the 75% cost of living increase afforded by this bill.