

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 380
 (H) Publish Date: 4/9/02

Revision Date/Time _____ Dept. Affected: Administration
 Title Relating to reimbursement for BRU Centralized Administrative Services
certain Medicare premiums Component Retirement & Benefits
 Sponsor Rep. James
 Requester (H) State Affairs Component No. 64

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires the retirement system to reimburse retirees for Medicare Part B premiums.

This bill is estimated to increase the PERS contribution rate by 1.68%; the TRS contribution rate by 1.7%; and the JRS contribution rate by 1.18%. The unfunded liability created by this bill would be \$198,081,000 for PERS, \$75,432,000 for TRS, and \$633,000 for JRS.

The State would see an **annual** increase in cost of \$10,759,700 for PERS; \$91,800 for TRS and \$67,260 for JRS. The PERS costs would be spread over all state departments. The University of Alaska would have increases of \$1,394,000 for PERS and \$563,100 for TRS.

Prepared by: Guy Bell, Director Phone 465-2292
 Division Retirement & Benefits Date/Time 27-Feb-02
 Approved by: Jim Duncan, Commissioner Date 2/27/2002
 Agency Department of Administration

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ANALYSIS CONTINUATION

The political subdivisions would annually pay an additional \$10,047,200 to PERS and the School Districts, an additional \$7,548,800 to TRS.

EPORS members are also included in this legislation. The current cost to reimburse the Medicare premiums for this group would be \$ 13,600 a year.

This bill would decrease the funding ratio of the PERS by 2.5% and decrease the funding ratio of the TRS by 1.5%.