

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 238(STA)
 (H) Publish Date: 2/17/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title An Act ...establishing a past service cost offset RDU Centralized Administrative Services
account for...payments to the public employee's pension fund Component Retirement and Benefits
 Sponsor House State Affairs Committee
 Requester House State Affairs Committee Component No. 64

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 238 establishes a new account in the State general fund, the Past Service Cost Offset (PSCO) account. The purpose of the account is to provide assistance to participating employers of the Public Employees' Retirement System (PERS), other than the State of Alaska, in paying past service costs related to the unfunded liability of the PERS defined benefit (DB) plan.

Under the proposed new section, the Administrator of the retirement systems will transfer a calculated amount from the PSCO account to the asset accounts in the DB trust fund for each employer that participates in the defined contribution retirement (DCR) plan under AS 39.35.700-39.35.990.

Prepared by: Melanie Millhorn, Director Phone 465-4408
 Division Retirement and Benefits Date/Time 2/2/06 8:06 AM
 Approved by: Mike Tibbles, Deputy Commissioner Date 2/2/2006
 Agency Department of Administration

FISCAL NOTE #1

**STATE OF ALASKA
2006 LEGISLATIVE SESSION**

BILL NO. CSHB 238(STA)

ANALYSIS CONTINUATION

The calculation is the lesser of the individual PERS employer's past service rate or the average past service rate, actuarially calculated, multiplied against the wage base of DCR plan members. Subsection (c)(2) makes an adjustment to the transfer amount based on any "unpaid past service costs" for elected officials eligible to participate in the DB plan.

This bill has no fiscal impact on the Division of Retirement and Benefits.