

HB

514

(7)

# COMMITTEE REPORT

## HOUSE

1/15/80

FURTHER: FINANCE

Date: 4-14-80

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 514

"An Act

Relating to increasing the minimum benefits of retired legislators and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 514  same title  
 new title
- and recommends CS HB 514 DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

[Signature]

[Signature]

[Signature]

Terrence Gardner

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
CHAIRMAN

TEACHER'S RETIREMENT SYSTEM

Percentage of total retirees

DISTRIBUTION OF PAYMENTS (base benefit, PRPA and COLA combined)

40%

35%

30%

25%

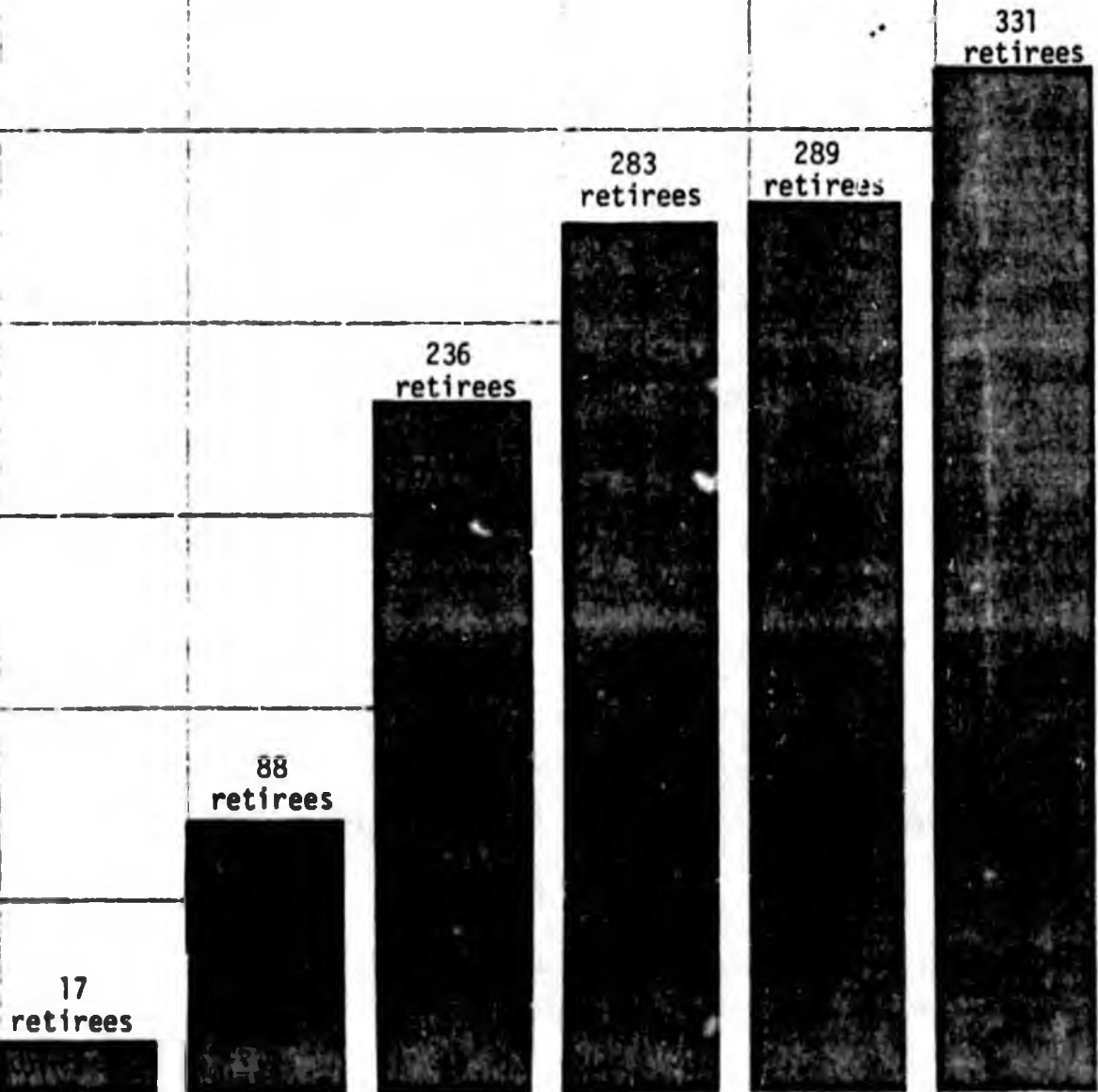
20%

15%

10%

5%

0%



Amount of monthly benefit

less than \$250

\$250 to \$500

\$500 to \$750

\$750 to \$1000

\$1000 to \$1250

more than \$1250

# TEACHER'S RETIREMENT SYSTEM

Percentage  
of total  
retirees

DISTRIBUTION OF PAYMENTS (base benefit only)

40%

35%

30%

25%

20%

15%

10%

5%

0%

359  
retirees

273  
retirees

214  
retirees

191  
retirees

180  
retirees

127  
retirees

Amount of monthly  
benefit

less than  
\$250

\$250 to  
\$500

\$500 to  
\$750

\$750 to  
\$1000

\$1000 to  
\$1250

more than  
\$1250



**TEACHERS' RETIREMENT SYSTEM**

**DISTRIBUTION OF PAYMENTS (base benefit and PRPA combined)**

Percentage  
of total  
retirees

40%

35%

30%

25%

20%

15%

10%

5%

0%

Amount of monthly  
benefit

less than  
\$250

\$250 to  
\$500

\$500 to  
\$750

\$750 to  
\$1000

\$1000 to  
\$1250

more than  
\$1250

18  
retirees

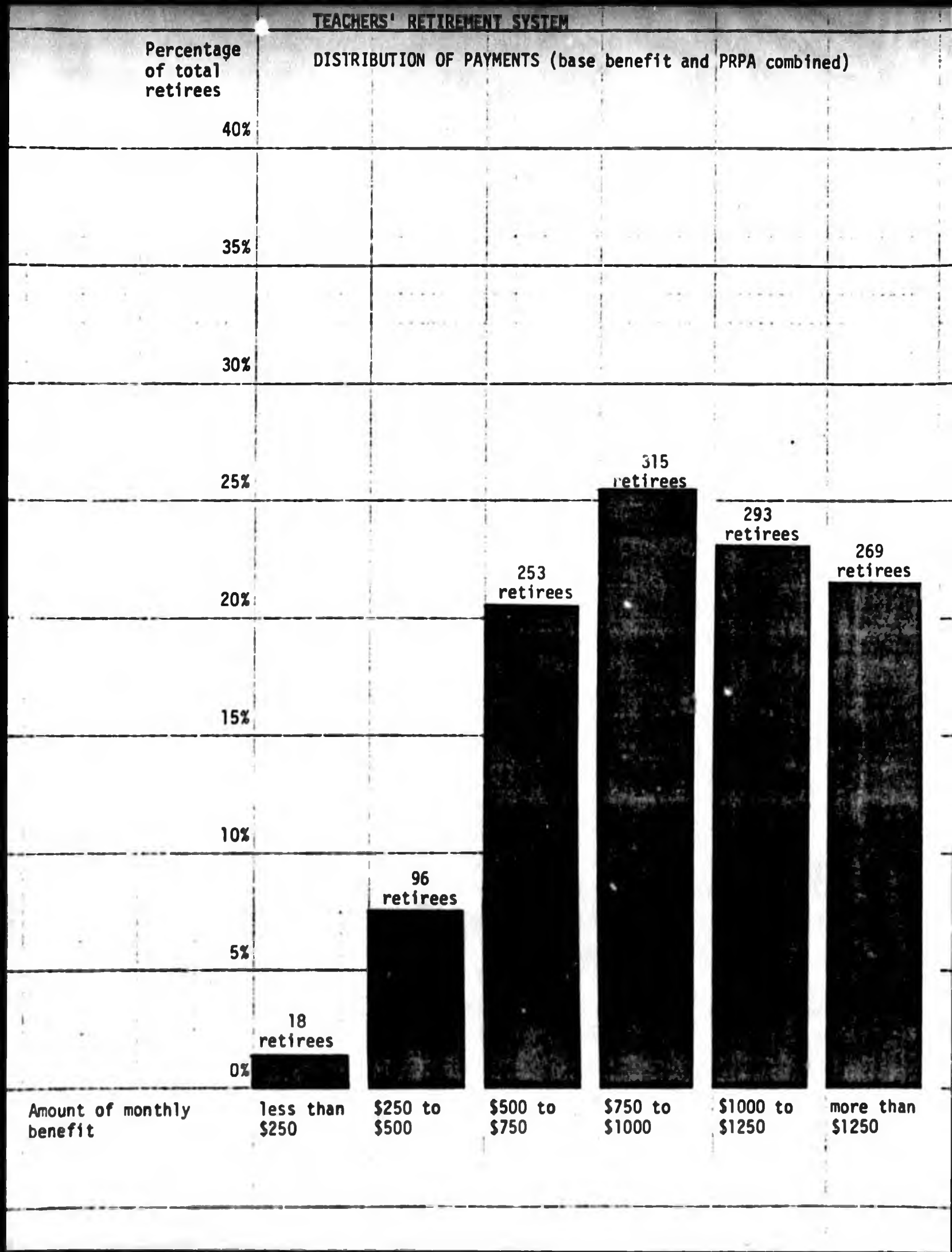
96  
retirees

253  
retirees

315  
retirees

293  
retirees

269  
retirees



PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Percentage of total retirees

DISTRIBUTION OF PAYMENTS (base benefit only)

40%

35%

30%

25%

20%

15%

10%

5%

0%

801  
retirees

772  
retirees

372  
retirees

185  
retirees

106  
retirees

132  
retirees

Amount of monthly benefit

less than \$250

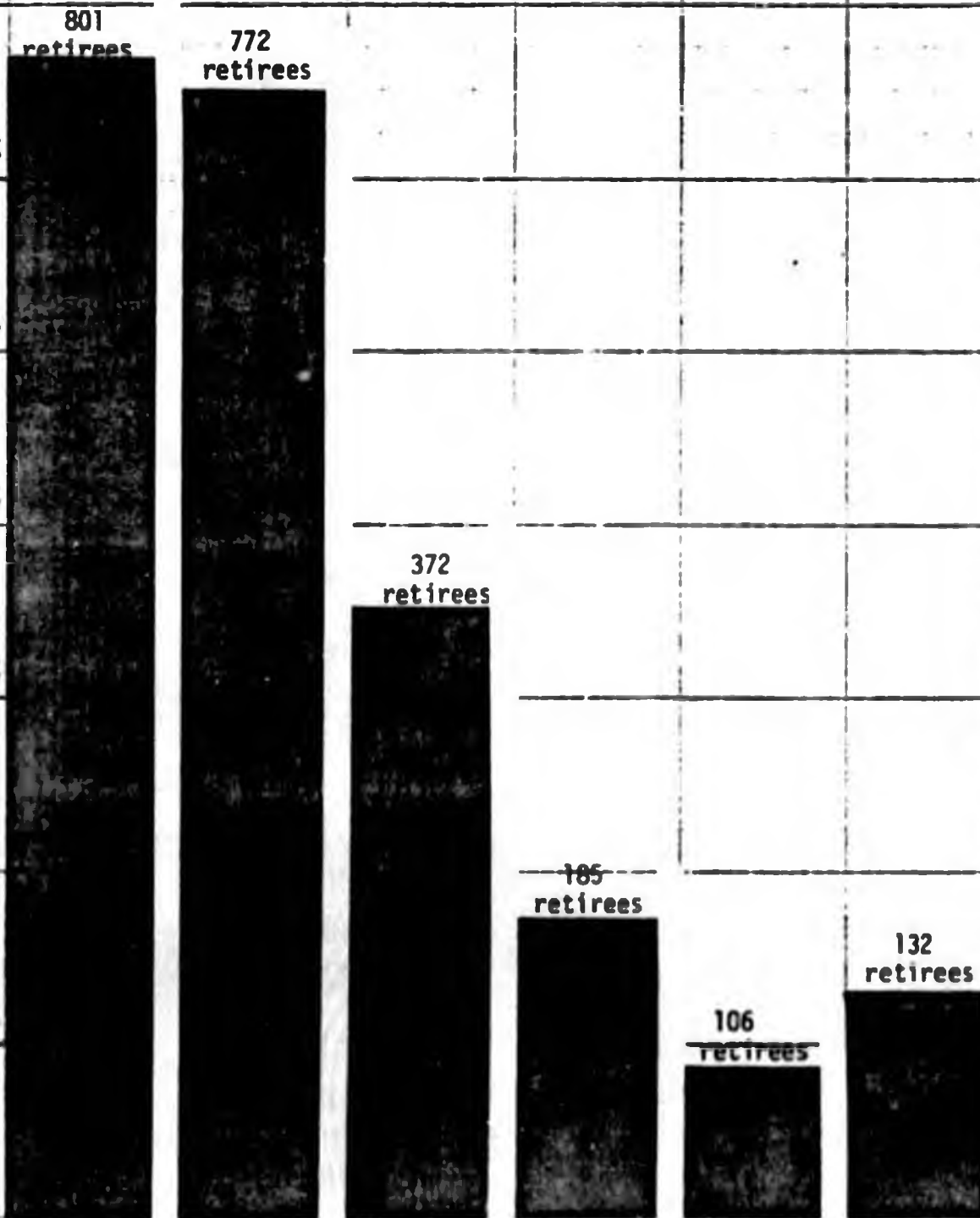
\$250 to \$500

\$500 to \$750

\$750 to \$1000

\$1000 to \$1250

more than \$1250



PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Percentage  
of total  
retirees

DISTRIBUTION OF PAYMENTS (base benefit and PRPA combined)

40%

35%

30%

25%

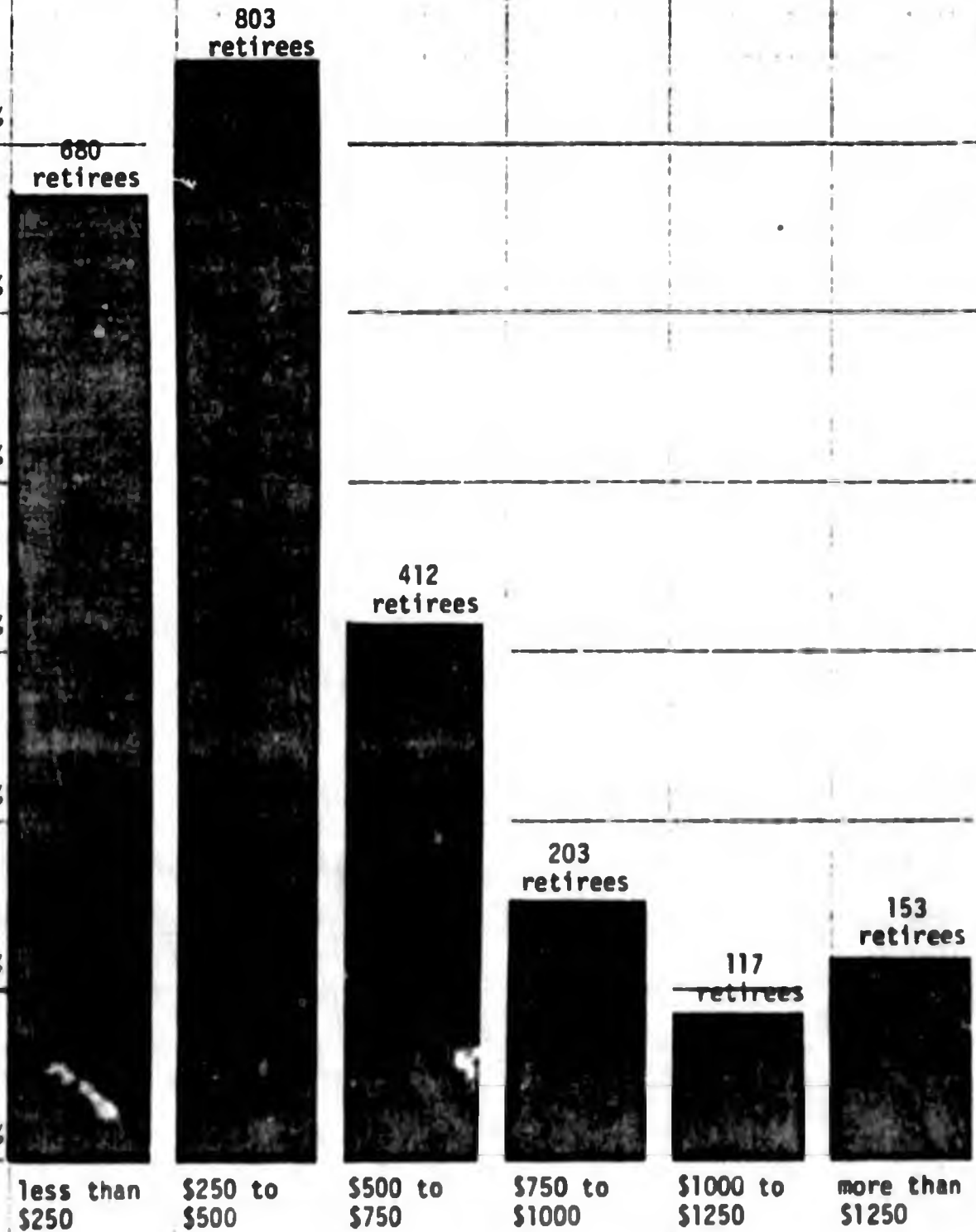
20%

15%

10%

5%

0%



Amount of monthly  
benefit

less than  
\$250

\$250 to  
\$500

\$500 to  
\$750

\$750 to  
\$1000

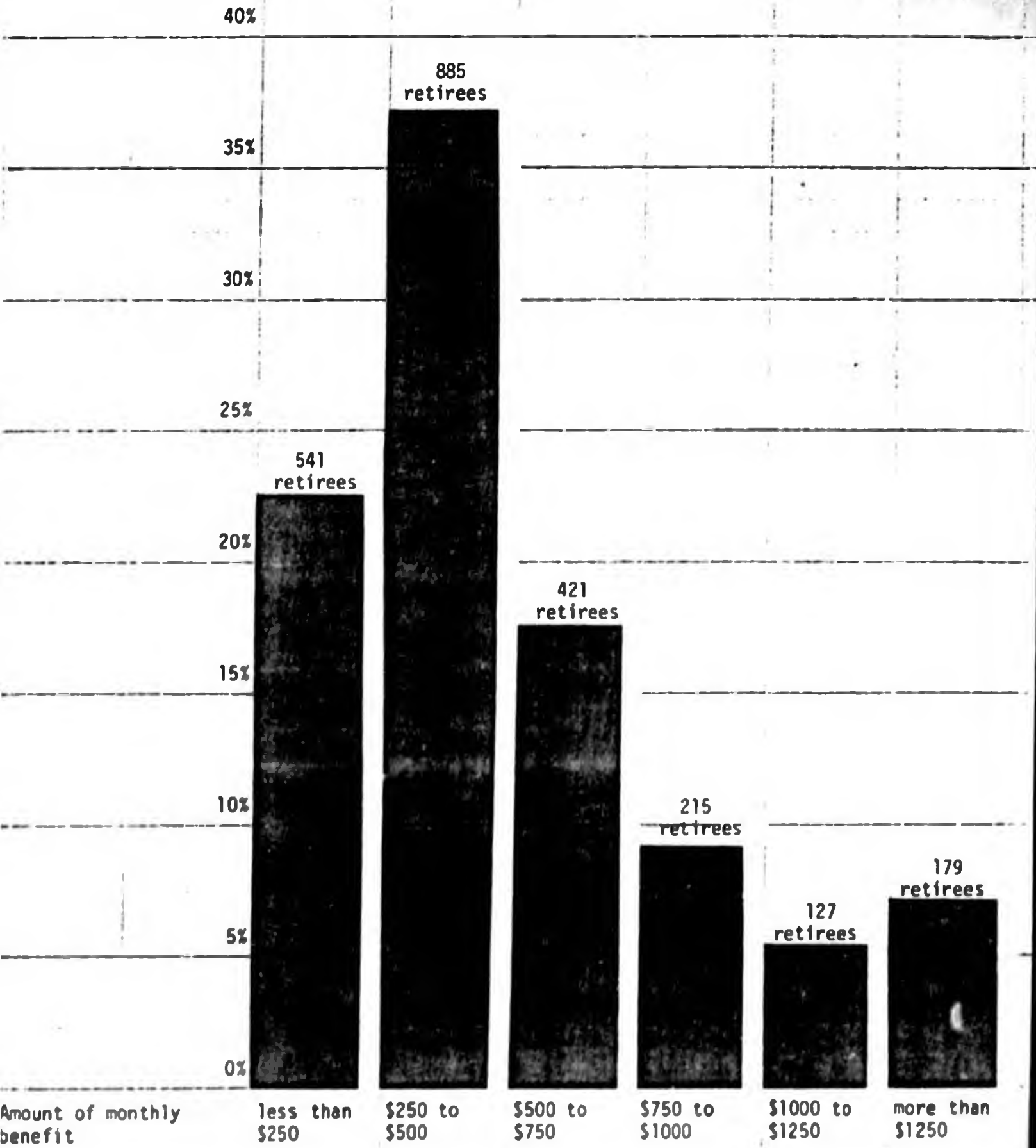
\$1000 to  
\$1250

more than  
\$1250

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

DISTRIBUTION OF PAYMENTS (base benefit, PRPA and COLA combined)

Percentage of total retirees



Amount of monthly benefit

less than \$250

\$250 to \$500

\$500 to \$750

\$750 to \$1000

\$1000 to \$1250

more than \$1250

ESTIMATED FUTURE ANNUAL COST OF INCREASED MINIMUM BENEFIT FOR CURRENT RETIREES

\*PERS

Increase monthly benefit from \$17.50 to \$20.00 per year of service: \$227,600  
Number of retirees affected: 539  
Average monthly increase: \$35

\*\*PERS

Increase monthly benefit from \$17.50 to \$25.00 per year of service: \$693,900  
Number of retirees affected: 799  
Average monthly increase: \$72

\*\*\*TRS

Increase monthly benefit from \$20.00 to \$25.00 per year of service: \$172,000  
Number of retirees affected: 154  
Average monthly increase: \$93

\*would involve approximately 270 man hours to implement

\*\*would involve approximately 400 man hours to implement

\*\*\*would involve approximately 77 man hours to implement

## MINIMUM BENEFITS

### PERS

Estimated* number of retirees receiving minimum benefit:	245
Number of retirees receiving benefits (all types):	2368
Percentage of retirees receiving minimum benefit:	10.35

### TRS

Estimated* number of retirees receiving minimum benefit:	49
Number of retirees receiving benefits (all types):	1244
Percentage of retirees receiving minimum benefit:	3.94

\*these figures could be slightly off the mark. As we currently have no means to specifically identify those receiving minimum benefits, it was necessary to have the computer compare the years of credited service against the base benefit and arrive at an approximation. Variance could be as much as 10%.

JUDICIAL RETIREMENT SYSTEM

<u>Average Monthly Benefit:</u> . . . . .	\$2,160.14
<u>Lowests Monthly Benefit:</u> . . . . .	\$ 862.44
<u>Highest Monthly Benefit:</u> . . . . .	\$3,312.00
<u>Average Years Service:</u> . . . . .	11.970
<u>Lowest Years Service:</u> . . . . .	5.041
<u>Highest Years Service:</u> . . . . .	15.000*

\*Maximum

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 514  
 Title An Act Relating to Increasing the Minimum Benefits of Retired Legislators  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Labor Services  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS	17.7	53.0	53.0	53.0	53.0	53.0
TOTAL	17.7	53.0	53.0	53.0	53.0	53.0

FUNDING (Thousands of Dollars)

GENERAL FUND	14.6	43.5				
FEDERAL FUNDS	0.8	2.4				
VETERAN'S FUND		0.1				
FISH & GAME FUND	0.1	0.3				
HIGHWAY FUND	0.2	0.7	SAME	SAME	SAME	SAME
AIRPORT FUND	0.5	1.5				
CAPITAL FUND	1.5	4.5				
PEKS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Twenty-nine retired legislators are affected by this bill.
- Average annual increase in benefits per legislator will be \$1,829.
- Assumed an effective date of March 1, 1980.

IV. DATE 1/22/80 PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Representative Gardiner  
 Office of the Governor (Keith Specking)

February 11, 1980

Legislative Board of Retirement Benefits analysis and recommendations on:

House Bill No. 514:

The board endorses the attached fiscal note as its fiscal analysis of HB 514.

A majority of the members of the board recommend that HB 514 Do Not Pass; one member recommends that the bill do pass.

Two members who recommend that HB 514 Do Not Pass did so because they felt the minimum base benefit on all retirement benefits should be reviewed for all PERS & TRS members, rather than a limited few persons in one system as HB 514 provides.

Three members felt that there was no showing of any special circumstances in this very small group of people that differentiates them from the PERS or TRS program.

FISCAL NOTE (REVISED)

HB 514

I. REQUEST  
 Bill/Resolution No. HB 514  
 Title An Act Relating to Increasing the Minimum Benefits of Retired Legislators  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Labor Services  
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 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS	11.9	35.8	35.8	35.8	35.8	35.8
TOTAL	11.9	35.8	35.8	35.8	35.8	35.8

FUNDING (Thousands of Dollars)

GENERAL FUND	9.8	29.3	29.3	29.3	29.3	29.3
FEDERAL FUNDS	0.5	1.6	1.6	1.6	1.6	1.6
VETERAN'S FUND	0.0	0.1	0.1	0.1	0.1	0.1
FISH & GAME FUND	0.1	0.2	0.2	0.2	0.2	0.2
HIGHWAY FUND	0.2	0.5	0.5	0.5	0.5	0.5
AIRPORT FUND	0.3	1.0	1.0	1.0	1.0	1.0
CAPITAL FUND	1.0	3.1	3.1	3.1	3.1	3.1
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Twenty-seven retired legislators are affected by this bill.
- Average annual increase in benefits per legislator will be \$1,326.
- Assumed an effective date of March 1, 1980.
- This fiscal note supercedes the one dated 1/22/80.

*Paul A. Arnoldt*

IV. DATE 2/07/80 PREPARED BY Paul A. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-3360  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Representative Gardiner  
 Office of the Governor (Keith Specking)