

SB

371

Teachers'
Retirement

*Please
for your
info
this is what bill
is all about.*

SENATE BILL NO. 371, by Senator Sumner by request. Repeals and re-enacts AS 14.25.143 (Post-Retirement Pension Adjustment) to provide that beneficiary of teachers' retirement system shall receive an annual percentage adjustment to his retirement salary and survivor's benefits effective July 1 of the current year. Adjustment shall equal percentage of any cost-of-living increase determined by the U.S. Bureau of Labor Statistics for Anchorage for year period ending March 31 of current year. Increase may not exceed 7% a year (currently 4%). Provides Cost-of-Living allowance granted under AS 14.25.142 is part of retirement salary for purposes of calculating adjustment under this section. (Currently the Administrator of teachers' retirement increases benefits when he determines C-O-L has increased and the financial condition of the fund permits. Increase limited to 4% per year.) Provides Act effective January 1, 1980.

Introduced February 1 and referred to Health, Education & Social Services, then to Finance.

FISCAL NOTE

Ju
 2-27-80
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I. REQUEST
 Bill/Resolution No. Senate Bill 371
 Title An act amending the Teachers' Retirement System
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement & Benefits
 Program Category Affected Labor Services and Elementary & Secondary Education
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)
 (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		45,012.0	49,513.2	54,464.5	59,911.0	65,902.1
100 BENEFITS		7,937.6	8,731.4	9,604.5	10,564.9	11,621.4
TOTAL		52,949.6	58,244.6	64,069.0	70,475.9	77,523.5

FUNDING (Thousands of Dollars)

GENERAL FUND		52,949.6	58,244.6	64,069.0	70,475.9	77,523.5
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

1. A 7% PRPA will increase the TRS contribution rate by 38.72% of covered payroll (the TRS contribution rate is split 50/50 between the State matching contribution and the district contribution).
2. Estimate FY81 TRS covered payroll @ \$232,500,000.
3. Estimate the TRS covered payrolls will increase at 10% annually.

IV. DATE 02/25/80 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
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Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Sumner
 Office of the Governor (Keith Specking)

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WA
PC

