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STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

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REQUEST

Bill/Resolution No.: HB 234
 Title: "An Act limiting retirement credit for military service..."
 Sponsor: House MESS
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: All State Agencies
 Program Category Affected: Labor services elementary and secondary education
 BRU, Program or Subprogram(s) Affected: PERS. TRS.

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 Personal Svcs						
100 Rtmnt & Bnfts		(558.3)	(603.0)	(651.2)	(703.3)	(759.6)
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match		(83.3)	(90.0)	(97.2)	(104.9)	(113.3)
TOTAL OPERATING	-0-	(641.6)	(693.0)	(748.4)	(808.2)	(872.9)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL		(589.4)	(636.6)	(687.5)	(742.5)	(801.9)
FEDERAL F		(25.0)	(27.0)	(29.2)	(31.5)	(34.0)
OTHER		(27.2)	(29.4)	(31.7)	(34.2)	(37.0)
TOTAL	-0-	(641.6)	(693.0)	(748.4)	(808.2)	(872.9)

POSITIONS:

	-0-	-0-	-0-	-0-	-0-	-0-
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared By: J. K. Humphreys, Director Phone: 465-7070
 Division: Retirement & Benefits Date: 3/12/85
 Approved by Commissioner: Lisa Rudd Date: 3-12-85
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

House Bill 234
Fiscal Note Analysis
Prepared by Division of Retirement & Benefits
Department of Administration

March 12, 1985

IV Analysis: Passage of this bill would prohibit a member, first hired after the effective date of this bill, from claiming credit for military service in the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems if that member were eligible to receive a retirement benefit for the same service from the United States Government.

This is estimated to result in a .10% decrease in PERS contributions, a .02% decrease in TRS employer contributions and a .02% decrease in TRS State Match. The PERS state salaries for FY 86 are estimated to be \$544,046,592, the TRS state salaries for FY 86 are estimated to be \$71,490,744 and TRS State Match salaries for FY 86 are estimate to be \$416,297,654. All salaries are estimated to increase by 8% each year.

The state cost savings of \$641.6 is calculated as follows:

The change in PERS employer contribution rate (-.10%) times the estimated state PERS salaries (\$544,046,592) equals [\$544.0]

Plus the change in TRS employer contribution rate (-.02%) times the estimated FY 86 state TRS salaries (\$71,490,744) equals [14.3]

Plus the change in TRS State Match contribution rate (-.02%) times the estimated FY 86 TRS State Match salaries (\$416,297,654) equals [83.3]
[\$641.6]

In addition to the state savings as described above, this would result in a savings in Political Subdivision contributions as follows:

FY 86	FY 87	FY 88	FY 89	FY 90
[\$497.6]	[\$537.4]	[\$580.4]	[\$626.8]	[\$677.0.8]