

HB

215

AMENDMENT TO CSHB 230 (FIN)

~~the~~ page 2, line 13

delete "As 21, 09. 210(c)"

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 215
Publish Date: HOUSE 4/10/87

REQUEST

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to credited BRU: Retirement and Benefits
service under the PERS.
 Sponsor: Boyer Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

An analysis of the impact of this bill on the actuarial soundness of the Public Employees' Retirement System (PERS) is provided in the attached letter to Representative Ulmer.

Prepared By: J.K. Humphreys Phone: 465-4460
 Division: Retirement and Benefits Date: April 6, 1987

Approved by Commissioner: Garrey Peska Date: 4/8/87
 Agency: Department of Administration

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

No. 1
HB 215
4/10/87

Public Employees Retirement System
Teachers Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees Voluntary Dental-Vision-Audio Plan
Supplemental Benefits System
Group Health/Life Insurance Benefits
Deferred Compensation Plan
Public Employers Social Security Contributions

DEPARTMENT OF ADMINISTRATION
DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

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STEVE COWPER, GOVERNOR

April 7 1987

The Honorable Fran Ulmer
Chairman
House State Affairs Committee
P.O. Box V
Juneau, AK 99811

Dear Madam Chair:

Re: House Bill 215

In accordance with Alaska Statute 24.08.036, I am providing the analysis below on House Bill 215. The analysis includes the long-term and short-term costs to the State if the bill is adopted and the impact the bill will have on the actuarial soundness of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) funds. Required changes to the appropriation for the Division of Retirement and Benefits are discussed in a separate fiscal note.

This bill would allow PERS members to receive credit for periods of leave without pay for which they receive workers' compensation payments. They would only have to pay the employee's contribution for that equivalent service. It is estimated to result in a .02% increase in PERS employer contribution rates in FY 88 and level thereafter. The State PERS payroll is estimated to be \$521,290,584.00 in FY 88 and remain level each year thereafter. This would result in an annual State cost of \$104.3 in FY 88 and in succeeding years (the PERS contribution rate increase of .02% times the State PERS estimated payroll of \$521,290,584.00).

In addition to the State costs above, there would also be an increase in political subdivisions FY 88 contribution rate of .02%. This would result in an increase in their annual costs by \$65.9 (rate increase of .02% times the estimated political subdivision payroll of \$329,282,769.00).

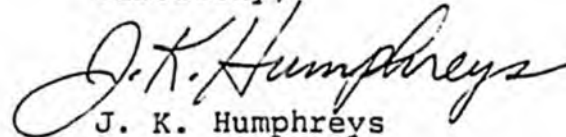
The Honorable Fran Ulmer

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April 7, 1987

Although there will not be a significant adverse impact on the actuarial soundness of the PERS fund if the bill becomes law, the unfunded liability will increase by \$600,000.00 and the funding ratio will decrease by .05%.

Sincerely,



J. K. Humphreys
Director

JKH/RLS/nl

20/6D1/0406-02/1

cc: Commissioner Garrey Peska
Department of Administration