

**State Impact**

Provisions of this bill would require an increase in the noncontributory retirement rate of 166 basis points. The cost of this increase is estimated at \$30,081,500.

The rates for local governments would also need to be increased, by 160 basis points. The cost of this is estimated at more than \$20 million.

	<u>FY 02 Approp.</u>	<u>FY 03 Approp.</u>	<u>FY 02 Revenue</u>	<u>FY 03 Revenue</u>
General Fund	\$5,118,900	\$5,118,900	\$0	\$0
Uniform School Fund	\$20,594,700	\$20,594,700	\$0	\$0
Transportation Fund	\$816,900	\$816,900	\$0	\$0
Federal Funds	\$1,893,200	\$1,893,200	\$0	\$0
Dedicated Credits Revenue	\$401,200	\$401,200		\$0
Transfers	\$497,400	\$497,400	\$0	\$0
Restricted Funds	\$759,200	\$759,200	\$0	\$0
<b>TOTAL</b>	<u><u>\$30,081,500</u></u>	<u><u>\$30,081,500</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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**Individual and Business Impact**

This bill would allow employees with 25 years of service to retire with no age-adjusted allowance reductions. Employees could retire at a younger age, but the formula would still be based on the total number of years of service, so if an employee retires after 25 years, the retirement benefit would be less than if the employee retired with 30 years of service.

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