

State Impact

For FY 2002, the Utah Retirement Board has certified reduced retirement rates. This bill changes the Firefighters' retirement benefit to include a compound cost-of-living adjustment (COLA). This adjustment will result in an increase of 3.76 percent in the contribution rates. Because the Analyst's recommended budget is based on the lower rates, an appropriation of \$2,900 will be required to fund the difference.

The bill may also impact local governments - increasing rates by 3.76 percent (Division A) and 6.7 percent (Division B). However, since the bill's rate increases are relatively close to the proposed actuarial reductions, there should be minimal impact for local governments. If the bill does not pass, then there will be savings to the local entities in the form of lower rates to pay to the Utah Retirement Systems.

	<u>FY 02 Approp.</u>	<u>FY 03 Approp.</u>	<u>FY 02 Revenue</u>	<u>FY 03 Revenue</u>
General Fund	\$2,400	\$2,400	\$0	\$0
Dedicated Credits Revenue	\$500	\$500	\$0	\$0
TOTAL	<u><u>\$2,900</u></u>	<u><u>\$2,900</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Individual and Business Impact

This bill increases the retirees' benefit to include a compounded cost-of-living adjustment, which would increase the amount received monthly by retirees. The amount would vary depending on the same factors used to determine the base benefit.
