

State Impact

This bill changes the multiplier from 1.1 percent to 1.25 percent for years of service prior to 1 July 1967. This will result in increased retirement rates for all current employees covered by the contributory and noncontributory plans. The cost is estimated at \$752,000, distributed among all state agencies and public education.

The bill also affects local governments whose retirement rates will increase 0.02 percent, at a cost of approximately \$250,000, to be paid from local revenues.

Passage of this bill will result in increased expenditures at the Utah Retirement Systems offices. In FY 2002, costs are expected at \$185,000. In FY 2003, if a contribution decrease was certified by the Board, costs for the Retirement Office would increase to \$460,000. In subsequent years, the cost would be approximately \$250,000. Increased costs at the Retirement Office reduce the asset base of 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	\$135,300	\$135,300	\$0	\$0
Uniform School Fund	\$506,800	\$506,800	\$0	\$0
Transportation Fund	\$20,700	\$20,700	\$0	\$0
Federal Funds	\$47,500	\$47,500	\$0	\$0
Dedicated Credits Revenue	\$10,100	\$10,100	\$0	\$0
Transfers	\$12,100	\$12,100	\$0	\$0
Restricted Funds	\$19,500	\$19,500	\$0	\$0
TOTAL	\$752,000	\$752,000	\$0	\$0

Individual and Business Impact

This bill could result in the increase in some retirees' benefits.