

**State Impact**

Increasing the cost-of-living adjustment to 4 percent will result in increased contribution rates, paid by employers, to the Utah Retirement System. For the two Public Safety Systems, this increase is partially offset by shifting the life insurance premium tax from the Firefighters' System. For the State, as an employer, the cost would be \$1,004,000 in FY 2003, and \$2,008,000 annually thereafter. Local governments would also see an increase in their contribution rates between 108 and 294 basis points for their employees on the Public Safety Retirement Systems and 222 basis points for their employees on the Firefighters' System.

|                           | <u>FY 03 Approp.</u> | <u>FY 04 Approp.</u> | <u>FY 03 Revenue</u> | <u>FY 04 Revenue</u> |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund              | \$907,100            | \$1,814,300          | \$0                  | \$0                  |
| Federal Funds             | \$12,600             | \$25,200             | \$0                  | \$0                  |
| Dedicated Credits Revenue | \$41,300             | \$82,600             | \$0                  | \$0                  |
| Restricted Funds          | \$43,000             | \$85,900             | \$0                  | \$0                  |
| <b>TOTAL</b>              | <b>\$1,004,000</b>   | <b>\$2,008,000</b>   | <b>\$0</b>           | <b>\$0</b>           |

---

**Individual and Business Impact**

Retirees covered by the Public Safety Retirement System could see increased adjustments in their retirement benefit.

---