

**State Impact**

This bill increases the service factor for all retirees for all years of services to "at least 1.5 percent". This will result in increased retirement rates for all current employees covered by the contributory and noncontributory retirement plans. Assuming the 1.5 percent level, the cost is estimated at \$1.6 million, distributed among all state agencies and public education.

The bill also would affect local governments whose retirement rates would increase by 0.03 percent, funded from local revenues.

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2007</u>
	<u>Approp.</u>	<u>Approp.</u>	<u>Revenue</u>	<u>Revenue</u>
General Fund	\$297,000	\$297,000	\$0	\$0
Uniform School Fund	\$1,065,000	\$1,065,000	\$0	\$0
TransportationFund	\$39,200	\$39,200	\$0	\$0
Federal Funds	\$116,900	\$116,900	\$0	\$0
Dedicated Credits	\$24,800	\$24,800	\$0	\$0
Transfers	\$27,100	\$27,100	\$0	\$0
Restricted Funds	\$53,100	\$53,100	\$0	\$0
<b>TOTAL</b>	<b>\$1,623,100</b>	<b>\$1,623,100</b>	<b>\$0</b>	<b>\$0</b>

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**Individual and Business Impact**

This bill could increase the benefit for some public sector retirees.

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