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**Fiscal Note****State Public Safety Retirement Conversion Window***03-Feb-06***Bill Number: HB0345***4:44 PM*

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**State Impact**

Passage of this bill will cause retirement contribution rates (as a percentage of salary) to decrease 100 basis points (1 percent) for all current State employees covered under the Public Safety Contributory Retirement System who transfer to the Public Safety Noncontributory System. This decrease will result in a minimal cost savings to the State (which currently funds the entire contribution) that is dependent on the number of employees who opt to transfer.

The bill would also affect local governments and other entities whose employees are covered by the Public Safety Retirement Systems. Total retirement contribution rates will decrease between 26 and 92 basis points for those employees who opt to transfer to the Noncontributory System. The entire impact on these employers, however, will depend on the portion of retirement contributions they currently fund for the Contributory Plan (the Noncontributory Plan requires the employer to fund 100% of the contribution) and the number of employees who opt to transfer to the Noncontributory plan.

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**Individual and Business Impact**

Individuals currently on the Contributory System may receive a higher retirement benefit if they transfer to the Noncontributory System.

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**Office of the Legislative Fiscal Analyst**