
H.B. 21 - Public Safety Retirement Conversion Window

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations. The State's employer contribution, as a percent of salary, for employees currently covered by the Public Safety Contributory Plan who opt to move to the Public Safety Noncontributory Plan will increase by 3.54 percentage points. However, the number of State public safety employees currently participating in the contributory plan is minimal, and it cannot be predicted how many, if any, will make the switch.

Individual, Business and/or Local Impact

Enactment of this bill could affect local governments and other entities whose employees are covered by the Public Safety Retirement Systems. Total retirement contribution rates (as a percent of salary) will decrease between 0.26 and 1.02 percentage points for those employees who opt to transfer to the noncontributory system. The entire impact on local 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.

Active employees in the Public Safety Contributory System who transfer to the Public Safety Noncontributory System may experience a cost savings if they currently pay a portion of their pension contribution since employers must fund 100% of noncontributory plan contributions.

1/13/2007, 1:24:39 PM, Lead Analyst: Tennert, J.

Office of the Legislative Fiscal Analyst