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**H.B. 198 1st Sub. (Buff) - Public Safety Retirement - As Amended**

**Fiscal Note**

2007 General Session

State of Utah

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**State Impact**

Enactment of this bill will require that 25 percent of the annual tax levied upon premiums for property insurance as applied to fire and allied lines insurance and 30 percent of the tax levied upon premiums for life insurance be paid to the Public Safety Noncontributory and Contributory Retirement Trust Funds. The commitment of taxes for both types of premiums bill will decrease revenues to the General Fund by approximately \$9.5 million, ongoing. The loss to the General Fund in FY 2008 is reduced by a one-time transfer of about \$3.2 million to the General Fund from the Public Safety Retirees' Cost-of-Living Increase Restricted Account, which is being repealed.

Enactment of this bill will cause retirement rates to increase for all current employees covered by the public safety retirement plans. This will require an ongoing appropriation of \$499,000, including \$447,100 from the General Fund, beginning in FY 2008, distributed to state agencies that employ individuals covered by these plans.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
General Fund	\$0	\$447,100	\$447,100	\$0	(\$6,233,800)	(\$9,468,800)
General Fund Restricted	\$0	\$28,500	\$28,500	\$0	\$0	\$0
Transportation Fund	\$0	\$200	\$200	\$0	\$0	\$0
Federal Funds	\$0	\$3,000	\$3,000	\$0	\$0	\$0
Dedicated Credits	\$0	\$20,200	\$20,200	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$499,000</b>	<b>\$499,000</b>	<b>\$0</b>	<b>(\$6,233,800)</b>	<b>(\$9,468,800)</b>

**Individual, Business and/or Local Impact**

Enactment of this bill will affect local governments, whose retirement rates for employees covered by the public safety retirement plans will increase, resulting in an ongoing cost of about \$970,000. The individual impact on local employers and employees will vary based on whether or not employees pay a portion of their pension contributions.

Depending on changes in the Consumer Price Index, members of the Public Safety Retirement Systems may receive higher annual cost-of-living adjustments to their retirement allowances. Some spouses of deceased members of the public safety retirement plans will receive a higher allowance if this bill is enacted.