
S.B. 63 - New Public Employees' Tier II Contributory Retirement Act

Fiscal Note

2010 General Session

State of Utah

State Impact

This bill will result in a net savings of 3.72 percent for the non-contributory retirement plan, and a net increase of 3.97 percent for the contributory retirement system beginning in FY 2012. Additionally, the bill will result in a net reduction of 2.65 percent in the contribution rates for employees covered by the Public Safety Contributory system and 14.63 percent for employees covered by the Public Safety Noncontributory system.

Because the effective date for new hires joining the Tier II system is July 1, 2011 the proposed legislation will not have a fiscal impact on FY 2011. The state will avoid future cost increases beginning in FY 2012 and have to contribute less under the new Tier II system than they would otherwise have had to under the current benefit structure.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for business.

Enactment of this bill will affect local governments, whose retirement rates would see a net decrease by 3.72 percentage points for the non-contributory retirement system. The contributory rate will increase by 3.97 percentage points. Additionally, local governments will experience a net increase contribution rates for Firefighters Retirement System between 6.92 and 8.00 percentage points. Public Safety Contributory and Noncontributory systems would experience a net decrease of rates between 2.08 and 14.34 percentage points.

Individuals will be impacted by the proposed change in statute.