



**Fiscal Note**  
**H.B. 77 1st Sub. (Buff)**  
 2015 General Session  
 Postretirement Employment  
 by Cunningham, R. (Cunningham, Rich.)



**General, Education, and Uniform School Funds**

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$0	\$0	\$0

**State Government**

UCA 36-12-13(2)(b)

Enactment of this legislation likely will not materially impact state revenue.

Revenues	FY 2015	FY 2016	FY 2017
Total Revenues	\$0	\$0	\$0

Enactment of this legislation will increase actuarially determined contribution rates for URS systems by between 0.05% and 2.5% depending on the retirement system. The fiscal impact represents the increased cost to the retirement systems for changes in retirement behavior identified by the actuary. Preliminary FY 2016 contribution rates for most URS systems exceed the actuarially determined contribution rate by more than the increase required by this bill. While enactment of this legislation may not increase URS retirement contribution rates, it will decrease funding of the unfunded actuarial accrued liability by state and higher education by approximately \$4.5 million annually. The requirement for employers of certain rehired retirees to pay the normal retirement costs in addition to the unfunded actuarial accrued liability (UAAL) costs could increase state and higher education costs by \$2.3 million annually, depending on how many eligible retirees are rehired.

Expenditures	FY 2015	FY 2016	FY 2017
Total Expenditures	\$0	\$0	\$0

<b>Net All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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**Local Government**

UCA 36-12-13(2)(c)

Enactment of this legislation will increase actuarially determined contribution rates for URS systems by between 0.05% and 2.5% depending on the retirement system. The fiscal impact represents the increased cost to the retirement systems for changes in retirement behavior identified by the actuary. Preliminary FY 2016 contribution rates for most URS systems exceed the actuarially determined contribution rate by more than the increase required by this bill. While enactment of this legislation may not increase URS retirement contribution rates, it will decrease funding of the unfunded actuarial accrued liability by local governments and school districts by approximately \$15.5 million annually. The requirement for employers of certain rehired retirees to pay the normal retirement costs in addition to the unfunded actuarial accrued liability (UAAL) costs could increase employer costs by \$7.7 million annually, depending on how many eligible retirees are rehired.

Enactment of this legislation likely will not result in direct, measurable expenditures by Utah residents or businesses.

**Performance Note**

JR4-2-404

No performance note required for this bill

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.