



**Fiscal Note**  
**H.B. 86 2nd Sub. (Gray)**  
 2016 General Session  
 Postretirement Employment Restrictions  
 by Cunningham, R. (McCay, Daniel.)



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

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(6,853,800)	\$0	\$(6,853,800)

**State Government**

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

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

Revenues	FY 2016	FY 2017	FY 2018
Total Revenues	\$0	\$0	\$0

Enactment of this legislation would likely increase the actuarially determined contribution rates for URS systems. This would result in additional required contributions of \$3,747,100 per year for the state, including \$1,305,900 from the General Fund and \$790,700 from the Educational Fund. An additional \$4,757,200 from the Education Fund would be passed through for public education. Additionally, the presumed incentive for employees to retire earlier would increase in the unfunded actuarial accrued retirement liability of the State by \$57,875,400.

Expenditures	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$1,305,900	\$1,305,900
Education Fund	\$0	\$5,547,900	\$5,547,900
Transportation Fund	\$0	\$258,100	\$258,100
Federal Funds	\$0	\$449,700	\$449,700
Dedicated Credits	\$0	\$534,500	\$534,500
Restricted Funds	\$0	\$207,600	\$207,600
Other	\$0	\$200,600	\$200,600
Total Expenditures	\$0	\$8,504,300	\$8,504,300

<b>Net All Funds</b>	<b>\$0</b>	<b>\$(8,504,300)</b>	<b>\$(8,504,300)</b>
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**Local Government**

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

Enactment of this legislation would likely increase the actuarially determined contribution rates for URS systems. This would result in additional required contributions of \$5,657,600 per year for local governments and \$5,946,500 per year for schools. Additionally, the presumed incentive for employees to retire earlier would increase in the unfunded actuarial accrued retirement liability by \$82,944,800 for local governments and \$81,941,800 for schools.

Enactment of this legislation would likely increase the actuarially determined contribution rates Tier II Hybrid plans. With employer's costs fixed at 10% of pay (12% of pay for public safety and firefighters), the increase in rates would result in a decrease in contributions to employees defined contribution plans by \$1,207,000 annually.

**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.