

HCS HB 804 -- COUNTY EMPLOYEES' RETIREMENT SYSTEM

SPONSOR: Smith (118)

COMMITTEE ACTION: Voted "do pass" by the Committee on Retirement by a vote of 9 to 0.

This substitute allows the board of the County Employees' Retirement System to determine if an additional benefit or enhancement improving the quality of life of future retirees is actuarially feasible. Benefit adjustments cannot be made until the retirement plan is 80% funded. Adjustments cannot be made more than once every 12 months and cannot increase the contribution rate by more than 1%. Adjustments, other than cost-of-living increases, will apply only to active employees.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill will allow the retirement board to make benefit enhancements without requesting the legislature to make a change. Benefit enhancements cannot be made more than once a year and only if the system is actuarially sound. The concept was developed at the request of the legislature.

Testifying for the bill were Representative Smith (118); and County Employees' Retirement System.

OPPOSERS: There was no opposition voiced to the committee.

Marc Webb, Legislative Analyst