149th GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 477**
SPONSOR:	**Representative Lynn**
DESCRIPTION:	**AN ACT TO AMEND TITLE 29 RELATING TO THE STATE EMPLOYEES' PENSION PLAN.**

Assumptions:

1. This Act becomes effective upon signature by the Governor.

2. This Act is effective until January 1, 2019.

3. This Act changes the reduced service pension eligibility to allow for a post-2011 state employee with five (5) years of credited service and has attained age 62.

4. Prior to eligibility, the employee must prove the following:
    a. Immediately prior to becoming a post-2011 employee, the employee was employed by a non-state employer;
    b. While employed by the non-state employer, the employee vested in a pension plan and the amount payable to the employee was projected to be greater than the amount projected to be payable to the employee as a post-2011 employee, based on the employment under which the employee first became a post-2011 employee; and
    c. The employee would not have resigned from employment with the non-state employer, but for the employee's reasonable understanding that the employee would qualify for a vested right to a pension as a pre-2011 employee.

5. The reduced service pension amount payable to an employee is reduced by 4/10 percent of each month the employee has less than 15 years.

6. Based on an average annual salary of $50,000 per employee, the Office of Management and Budget, Pensions Office estimates the present value cost for lifetime of benefits at $28,300 per eligible employee.

Cost:

Fiscal Year 2019:	$28,300 per eligible employee
Fiscal Year 2020:	$0
Fiscal Year 2021:	$0

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Office of the Controller General