# BDR 23-750
# AB 211

NON-EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 2, 2023

Agency Submitting: Public Employees' Retirement System

| Items of Revenue or Expense, or Both | Fiscal Year 2022-23 | Fiscal Year 2023-24 | Fiscal Year 2024-25 | Effect on Future Biennia |
|---|---|---|---|---|
| Actuarial Costs (Expense) | | $57,000 | $54,000 | $27,000 |
| Staff costs for computer system update and transfers (Expense) | | $134,469 | $127,386 | $35,385 |
| Total | 0 | $191,469 | $181,386 | $62,385 |

Explanation (Use Additional Sheets of Attachments, if required)

AB 211 requires the Retirement Board to request the actuary to value the actuarial cost for certain employees to transfer service from the regular to police/fire fund, if requested by the public employer. Per the System's independent actuary, the estimated cost for actuarial services for each employer request is $3,000. The System has 37 participating public employers with approximately 800 employees that may be subject to AB 211. This fiscal note assumes that approximately half of the employers may make such a request in each fiscal year of the upcoming biennium. As employers may make this request multiple times and the costs would change based on changing demographic and economic conditions, this fiscal note assumes nine such employer requests in future biennia. This fiscal note also includes staff time required for changes in the pension administration system to accommodate such transfers and staff time to review, input, and verify the data and money transfers, based on approximately half of the employees transferring in each fiscal year of the upcoming biennium. Staff time for future biennia is based on new transfers. As the staff time would be mostly in the upcoming biennia and across multiple positions, the staff time is not estimated to be in the form of new positions but may require overtime of current positions or third-party services for the increased workload. This fiscal note does not include the costs to the employers and/or members to pay the full actuarial cost to the System to transfer a member's service from regular to police/fire service.

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Title Executive Officer