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FISCAL IMPACT REPORT

SPONSOR: Bailey DATE TYPED: 02/24/01 HB _____
 SHORT TITLE: Pay Sick Leave at Retirement SB 468
 ANALYST: Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	Negative		Recurring	Educational Retirement

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

State Personnel Office (SPO)

SUMMARY

Synopsis of Bill

This bill would allow Educational Retirement Association (ERA) members to purchase service credit at one-half the salary rate at which sick leave was accrued.

Significant Issues

An actuarial study should be conducted to determine the impact on the retirement fund.

According to the State Personnel Office (SPO), uniformity of sick leave accrual and usage policies across school districts and higher educational institutions is suspect. For this change to work equitably, all ERA employers would have to work toward a uniform sick leave accrual and usage policy. The number of school districts in New Mexico (89), will make the task difficult.

FISCAL IMPLICATIONS

This bill does not impact the general fund as the employer's contributions for service credit would not be paid by the employer. As a result, this bill would have a negative impact on the retirement fund. An actuarial impact study would have to be conducted to ascertain the potential impact.

ADMINISTRATIVE IMPLICATIONS

Unknown.

OTHER SUBSTANTIVE ISSUES

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The State Personnel Office point out that this change in the retirement act may benefit men more than women because women have (traditionally) carried the burden of taking care of sick family members and for childbirth. As a result, women often deplete unused sick leave balances at a higher rate than men.

JBE/ar