

FISCAL IMPLICATIONS

The Senate Public Affairs Committee Amendment includes two appropriations from the general fund totaling \$10 million; one of \$6 million to the judicial retirement fund and another of \$4 million to the magistrate retirement fund.

The original bill included two appropriations from the general fund totaling \$47 million; one of \$32.5 million to the judicial retirement fund and another of \$14.5 million to the magistrate retirement fund. These appropriations will significantly improve the funded status of the two affected pension plans.

SIGNIFICANT ISSUES

According to PERA:

For the year ending June 30, 2019, the Judicial Retirement Fund has a funded ratio (plan assets divided by plan liabilities) of 55.1 percent and is projected to become insolvent by the year 2049. For the year ending June 30, 2019, the Magistrate Retirement Fund has a funded ratio of 54.3 percent and is projected to become insolvent by the year 2044.

The one-time cash infusion to the judicial retirement fund will immediately increase the funded ratio from 55.1 percent to 58.7 percent. The infusion will increase the funded ratio of the magistrate retirement fund from 54.3 percent to 61.1 percent.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB121 relates to Senate Bill 122 which makes distributions to the magistrate and judicial retirement plans pursuant to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act.

SB121 relates to Senate Bill 123 which increases employer contributions to the judicial and magistrate retirement plans.

CJ/al/sb