

**NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.**

**Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.**

### FISCAL IMPACT REPORT

SPONSOR:	Gorham	DATE TYPED:	02/14/00	HB	
SHORT TITLE:	Educational Retirement Contribution Rates			SB	SJM 52
				ANALYST:	Eaton

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

Synopsis of Bill

This joint memorial requests that the Public Employees Retirement Board and the Educational Retirement Board conduct a study of the actuarial and practical feasibility of offering a variety of choices to public employees whereby an employee can elect to make higher or lower contributions into a retirement system in return for eventual lower or higher retirement benefits. The memorial requests that the results of the study including the findings and recommendations be submitted to the first session of the forty-fifth legislature.

Significant Issues

Both the educational retirement plan and the public employee retirement plans are defined benefit plans. Changes in contributions may necessitate changes in benefit calculations to remain actuarially sound. A suggested amendment would be to request both defined benefit and defined contribution scenarios.

JBE/gm