

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2113 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Prepared by: Matt Stayner
Reviewed by: Laurie Byerly
Date:

Measure Description:

Modifies retirement plan options of persons elected or appointed as members of Legislative Assembly.

Government Unit(s) Affected:

Public Employees Retirement System (PERS)

Summary of Fiscal Impact:

	2011-13 Biennium	2013-15 Biennium
Other Funds	545,000	0
Total Funds	\$545,000	\$0
Positions	0	0
FTE	0.00	0.00

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure contains a provision that allows an employee who becomes an active member of the individual account program (IAP) of the Oregon Public Service Retirement Plan on or after they have reached the normal retirement rate to be fully vested. This provision is subject to a retroactive clause in the bill that applies to all participants of the IAP, before and after the effective date of the measure. These provisions would require a programming change to the PERS' benefit administration system. This change is estimated to cost \$475,600 based on 4,756 contracted hours at a cost of \$100 per hour including the evaluation, development, application and management of the software change. This cost is included as a policy option package in the agency's budget.

The measure also allows the establishment of separate accounts for both pre and post tax deferred compensation under the Oregon Savings Growth Plan (OGSP); post tax contributions allows OGSP to offer a Roth Individual Retirement Account (IRA) program. This change requires one-time set up costs from the OGSP third-party administrator totaling \$70,000. The agency has stated that this cost can be absorbed using existing resources.

The other provisions of the measure deal with corrections to technical issues in existing statutes and have no fiscal impact to the agency.

