

**Public Employees Retirement System
SB 1566 (2018) Report**

On February 11th, the General Government Subcommittee recommended acknowledging receipt of a report from the Public Employees Retirement System on SB 1566.

SB 1566 was enacted in 2018 to address the PERS Unfunded Accrued Liability. The measure established an Employer Incentive Fund to be used for a 25% match for side account contributions, established a School Districts Unfunded Liability Fund for a pooled side account, and created an Unfunded Accrued Liability Resolution program to assist employers in addressing their individual unfunded liabilities.

The School Districts Unfunded Liability Fund has yet to receive enough revenue to begin offsetting school district employer contributions; however, the Employer Incentive Fund has been successful in incentivizing side account contributions, which will be deployed beginning with the 2021-23 biennium.

For the current biennium, PERS is expected to match \$429.5 million in employer side account contributions in the Employer Incentive Fund with \$100 million of state General Fund for a combined total of \$529.5 million. Employers also paid off an additional \$40.4 million in transition liabilities. Non-matched contributions to side accounts totaled another \$107 million. These contributions have increased assets, in comparison to liabilities, and reduce UAL, thereby improving the funded status of PERS and employers.

The General Government Subcommittee recommends approval.