

# SUBCOMMITTEE RECOMMENDATION

## **Public Employees Retirement System**

### **SB 1566 (2018) Employer Incentive Funds**

---

To: Ways and Means Full Committee  
From: General Government Subcommittee  
Carrier: Representative Smith

---

On February 20th, the General Government Subcommittee received a report from the Public Employees Retirement System on Employer Incentive Funds.

SB 1566 was enacted in 2018 to help address the PERS Unfunded Actuarial 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 Actuarial Liability Resolution program.

The School Districts Unfunded Liability Fund has yet-to-receive enough revenue to begin offsetting school district employer contributions. The fund currently has an estimated balance of \$166.5 million. Additionally, the fund's revenue provisions have sunset or will sunset by January 2, 2027. PERS expects to solicit another round of applications in the spring of 2025 for the Employer Incentive Fund. The fund has a projected balance of \$87.8 million for the 2025-27 biennium from dedicated sports betting lottery revenue that can be used to meet the 25% matching funds requirement.

The General Government Subcommittee recommends acknowledging receipt of the report.