

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7860
BILL NUMBER: HB 2052

DATE PREPARED: Jan 23, 1999
BILL AMENDED:

SUBJECT: Prosecuting attorney pensions.

FISCAL ANALYST: James Sperlik
PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a member of the Prosecuting Attorneys Retirement Fund is not required to make contributions to the fund after the member has contributed to the fund for 22 years. It reduces the number of years required to vest as a member of the fund from ten to eight. The bill provides that the calculation of retirement and disability benefits under the fund is to be based on the current salary of the office from which the member retired, instead of the salary at the time the member left office. The bill increases the percentages used in computing retirement and disability benefits under the fund. It provides for the proration of benefits for partial years of service. The bill changes the reduction factor for retirement before 65 years of age. It eliminates the requirement that a member have at least five years of service in order to be eligible for disability benefits.

Effective Date: July 1, 1999.

Explanation of State Expenditures: The fiscal impact of this of this proposal is shown in the table below:

Increase in Unfunded Accrued Liabilities	\$13,000,000
Increase in Annual Funding	\$2,200,000
Increase in Funding as a % of Payroll	19.1%

The fund affected is the State General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: The Public Employees Retirement Fund as a administrators of the Prosecuting Attorneys Fund.

Local Agencies Affected:

Information Sources: Doug Todd of McCready & Keene, Inc., actuaries for the Prosecuting Attorneys Retirement Fund, 576-1508.

Unfunded Accrued Liability--The unfunded accrued liability (sometimes called the unfunded liability) of a retirement system at any time is the excess of its actuarial liability as that time over the value of its cash and investments.

Funding--Funding is a systematic program under which assets are set aside in amounts and at times approximately coincident with the accruing of benefit rights under a retirement system.