

**NON-EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 7, 2023

Agency Submitting: Public Employees' Retirement System

| Items of Revenue or Expense, or Both | Fiscal Year 2022-23 | Fiscal Year 2023-24 | Fiscal Year 2024-25 | Effect on Future Biennia |
|---------------------------------------------|----------------------------|----------------------------|----------------------------|---------------------------------|
| Contribution Cost (Expense) | | \$13,327,486 | \$17,992,106 | \$48,578,689 |
| Computer Programming Costs (Expense) | | \$3,000,000 | | |
| Total | 0 | \$16,327,486 | \$17,992,106 | \$48,578,689 |

Explanation

(Use Additional Sheets of Attachments, if required)

AB 351 provides a new benefit to members of the police/fire fund. The System's actuary estimated the cost of this new benefit to be 1.14% of the police/fire payroll. The payroll is assumed to grow by 3.5% per year. The cost is a result of the necessity to change the retirement assumption because of the incentive provided by this benefit. As this is a new program, the computer programming required would be existence. The System's IT vendor estimated programming costs could be \$3-6,000,000 depending on the structure of the program. There are also tax code issues that may require legal fees. These fees are undetermined at this time.

Name Tina Leiss
Title Executive Officer