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FISCAL ANALYSIS

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HOUSE BILL 5108 BILL VERSION HERE

Sponsor: Rep. Jerry Vander Roest

House Committee: Appropriations

ENROLLED ANALYSIS - 4/12/02

Analyst(s): Al Valenzio

SUMMARY

House Bill 5108 creates the Public Employee Retirement Benefit Protection Act. Specifically, a member or retiree who has earned a public retirement benefit would not lose all or a portion of that benefit due to bankruptcy, garnishment, or attachment. Member includes deferred vested member, designated beneficiary, and refund beneficiary. The bill also allows public pension systems to create an Arrangement and Fund to pay benefits.

An Arrangement and Fund allows a retirement system to pay the earned pension benefit to an individual even if that annuity exceeds the maximum annuity allowed by Section 415 of the Internal Revenue Code. Assets to finance this cost are held separately and are not considered pension system assets.

STATE FISCAL IMPACT

Indeterminate. It is unknown if any pension system will, or needs, to create an Arrangement and Fund.

LOCAL FISCAL IMPACT

Indeterminate. It is unknown if any pension system will, or needs, to create an Arrangement and Fund.