

Legislative Analysis



STATE EMPLOYEES RETIREMENT DEFERRAL

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House Bill 4512 as introduced and reported from committee

Sponsor: Rep. Lee Gonzales

Committee: Appropriations

First Analysis (3-22-07)

BRIEF SUMMARY: This allows for a one-time interest-only payment on the Unfunded Actuarially Accrued Liability (UAAL) for FY 2006-07 for the State Employees Retirement System (SERS). The state's contractual actuary has recommended that the minimum interest charge is 4.5%.

FISCAL IMPACT: The state's contractual actuary has determined that the reduced employer contributions from this one-time payment deferral of the UAAL principal payment is \$83.7 million (Gross), \$44.8 Million (GF/GP).

Fiscal Analyst: Al Valenzio

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