

# Legislative Analysis

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## RETIREMENT REVALUATION

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**House Bill 4766**

**Sponsor: Rep. Lee Gonzales**

**Committee: Appropriations**

**Complete to 5-16-07**

### ***BRIEF SUMMARY:***

Consistent with Executive Order 2007-3, this bill amends the Retirement Investment Act that affects FY 2006-07 employer contributions for both the State Employees Retirement System (SERS) and the State Police Retirement System (SPRS).

It allows for a one-time actuarial revaluation of each system's assets to their actual market value as of September 30, 2006 instead of doing a five-year smoothed valuation. The five-year smoothing would begin again in FY 2007-08.

### ***FISCAL IMPACT:***

The state's contractual actuary has determined that the reduced employer contributions resulting from this one-time asset revaluation change will reduce gross employer contributions by \$69.5 million (of which \$37.2 million is GF/GP).

Fiscal Analyst: Al Valenzio

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.