

Legislative Analysis



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Retirement Revaluation

House Bill 4766

Sponsor: Rep. L. Gonzales

Committee: Appropriations

First Analysis: As Reported (05/16/2007)

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).

Legislative Analyst:
Fiscal Analyst: Al Valenzio

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