## COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

## 100TH GENERAL ASSEMBLY

BILL NO: **HB 3153** February 17, 2017

SPONSOR (S): Wallace

SYSTEM(S): Teachers' Retirement System

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FISCAL IMPACT: According to the Teachers' Retirement System, HB 3153 will likely result in a small negative impact to the State. A small portion of earnings would be exempt from the excess salary calculation, resulting in slightly higher state contributions to compensate.

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<u>SUBJECT MATTER</u>: HB 3153 excludes overload work when assessing excess increases in final average salary from one year to the next, for teachers in TRS.

<u>COMMENT</u>: HB 3153 amends the Teachers' Retirement System (TRS). Current law states that if the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's salary rate for the previous school year by more than 6%, the teacher's employer shall pay to the System the present value of the increase in benefits resulting from the portion of the salary increase in excess of 6%. HB 3153 provides that when assessing these payments for school years 2018 through 2021, the System shall exclude salary increases resulting from overload work, including summer school.

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