

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: **SB 0044**

February 4, 2021

SPONSOR (S): Martwick

SYSTEM(S): SURS

FISCAL IMPACT: SURS notes that the changes to the calculation of service credit would have a fiscal impact, but the system does not know the extent of the fiscal impact. No actuarial study has been calculated as yet. An updated impact note will be issued if more information becomes available.

SUBJECT MATTER: SB 0044 is an administrative initiative of the State Universities' Retirement System. The bill addresses the following issues set forth in the Comment Section below:

COMMENT:

Service Calculation – Currently, one month of service credit is awarded in SURS if the member works for at least 15 days. Under SB 0044, if a participant's first day of service begins with less than 15 days remaining in the month, the participant shall be deemed to have qualified as an employee for that entire month. If a participant's last day of service occurs before the 15th day of the month, the participant shall be deemed to have qualified as an employee for that entire month. These changes apply retroactively to 2 years before the effective date of this bill, and a participant may request his or her service to be recalculated accordingly.

Providing Statements - SURS is currently required to provide to participants and annuitants an individual statement specifying the accumulations to the credit of any participant who requests such a statement. SB 0044 requires the system to annually provide the formula for calculating pension benefits to any employee who is not a full-time employee.

Duties of Employers – SB 0044 mandates that each employer under the system shall provide annually to its participating employees a statement of the amount of service the employer reported to the System for that participating employee during the preceding academic year.

Benefit Payment Disputes – SB 0044 stipulates that if a person disputes the amount of any benefit payment, the amount of service credit the benefit was based on, or other related factors pertaining to the calculation of a pension benefit, he or she may apply to the System in writing within 90 days of the commencement of the benefit to request a recalculation of the benefit.

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