



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **HB 5107**

February 13, 2024

SPONSOR (S): Hauter

SYSTEM: GARS

FISCAL IMPACT

The fiscal impact upon GARS is not known, as the number of members who would fail to meet the 60% attendance threshold that would be needed to earn service credit in the retirement system is not known. The Commission's actuary, Segal Consulting, says that inasmuch as this change would affect all members – new hires and those close to retirement – any loss of payroll/contributions could result in liability gains or losses, changes to retirement patterns, and other deviations from actuarial expectations that could impact State contributions. These items would need to be captured in an actuarial experience study for any members failing to meet the attendance threshold before a dollar amount could be assigned to changes in accrued liability. Overall, however, the fiscal impact is expected to be very minor.

SUBJECT MATTER: HB 5107 amends the General Assembly Compensation Act to set a “minimum attendance requirement” for General Assembly members for the annual spring legislative session. This requirement, if not met, would result in lost compensation and forfeiture of service credit nominally granted during that calendar year.

COMMENT: HB 5107 amends the General Assembly Compensation Act such to establish a “minimum attendance requirement” for General Assembly members. This new minimum requirement is defined as 60 percent of the spring legislative session days of the applicable chamber for the member in question or 60 percent of the remaining spring legislative session days in the case of a member who becomes a member of the General Assembly after the commencement of the spring legislative session. Beginning with the 104th GA, members must satisfy this requirement to be entitled to an annual salary. If this requirement is not met, the member would not receive compensation for the remainder of the calendar year and is required to reimburse the State for payments received in the year.

HB 5107 amends the General Assembly Article of the Pension Code to stipulate that a member who fails to meet the aforementioned requirement would forfeit service credit granted during the calendar year and would be entitled to a refund of any contributions paid towards forfeited service credit.

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