

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

**REVISED**

BILL NO:           **HB 3408**

March 25, 2016

SPONSOR (S):    Kifowit

SYSTEM(S):      State Universities Retirement System

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**FISCAL IMPACT:** HB 3408 would presumably have positive savings to the System by not including housing allowance or vehicle allowance in pensionable earnings. The precise savings cannot be determined as the information regarding the exact amount of such allowances for current or prospective employees is not currently available from SURS.

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**SUBJECT MATTER:** HB 3408 excludes from the definition of pensionable earnings amounts paid to members for housing allowances or vehicle allowances.

**COMMENT:** Under the current law, housing allowances and vehicle allowances are not explicitly excluded from pensionable earnings. However, for a Tier 2 employee participating in the Traditional DB plan in SURS, pensionable earnings are already capped, meaning that there would likely be minimal savings associated with Tier 2 personnel who would receive these allowances.

JB:dkb

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3/30/16 REVISED