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FISCAL IMPACT REPORT

SPONSOR: Tripp DATE TYPED: 02/14/01 HB 469
 SHORT TITLE: Amend Educational Retirement Act SB _____
 ANALYST: Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	NFI		Recurring (3 yrs.)	Educational Retirement

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Educational Retirement Board (ERB)

SUMMARY

Synopsis of Bill

This bill proposes amending the Educational Retirement Act to provide another three (3) year window of opportunity to purchase exempt service beginning July 1, 2001 and ending June 30, 2004. This opportunity would benefit people who elected not to participate in the retirement program, and did not purchase the service from 1988 to 1991.

Significant Issues

Prior to July 1, 1971, classified staff in educational institutions were given the option to participate in ERA. Classified staff are non-teacher and non-administrative support staff. In 1971, membership in ERA became a condition of employment for classified staff. Many of the employees who previously exempted themselves eventually revoked their exemption and began to participate in the retirement program.

From 1988 through 1991, exempt employees were given an opportunity to purchase this service credit by paying the amount of the contributions (employee and employer), they would have paid had the person been a member of ERA. Interest on the contributions must also be paid. This bill extends this opportunity again (July 1, 2001 to June 30, 2004).

In order to be eligible for this window of opportunity, a person must have been employed by an ERA participating institution and worked in a position that would have been eligible for ERA coverage. The ERB support this legislation.

ADMINISTRATIVE IMPLICATIONS

Possible increase in workload for Educational Retirement Board staff.

JBE/ar