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FISCAL IMPACT REPORT

SPONSOR: Zanetti DATE TYPED: 02/18/03 HB HJM33

SHORT TITLE: Make Federal Pension Provisions Permanent SB _____

ANALYST: Gonzales

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Employee Retirement Association (PERA)

SUMMARY

Synopsis of Bill

House Joint Memorial 33 requests the New Mexico congressional delegation members to support making permanent the pension and individual retirement account provisions enacted in 2001 that will sunset in 2010.

Significant Issues

Currently, the tax-deductible contribution limit to individual retirement accounts will increase through 2010 under federal tax relief legislation enacted in 2001, shrinking by 60 percent when the increases contribution limit expires.

FISCAL IMPLICATIONS

There may be some fiscal impact to individuals who are age 55 and restricted from investing additional funds into their retirement savings plans as a safeguard against fluctuating markets.

OTHER SUBSTANTIVE ISSUES

The Public Employees Retirement Association states it has implemented administrative procedures that allow for the greater portability of retirement funds for trustee-to-trustee transfers between eligible retirement accounts as required by the federal tax changes in 2001.

JMG/sb