



**FISCAL IMPLICATIONS**

ERB believes that this bill would not have an actuarial effect on their fund. However, under current law, ERA invests employee contributions and returns such contributions and interest upon employee termination. Under this bill, the ERA fund would be impacted if investment returns typically exceeded the interest rate paid on refunds.

To guarantee that SB 609 is consistent with NM Const. Art. XX, Section 22, (no benefits may be enhanced unless the costs of such benefits are properly funded in accordance with actuarial standards), an actuarial study should be performed to verify that this bill is cost-neutral.

RLG/lr/njw