

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

Senate Bill No. 2137

(List bill or resolution and number, if available, or subject)

Amendment to:

(List bill or resolution and number)

Requested by:

Legislative Council

Date of receipt:

December 29, 19 78

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed, attach a supplementary sheet. (Please type)

The fiscal effect of Senate Bill Number 2137 is to eliminate the actuarial margin that has been created by the new retirement programs falling within the actuarial assumption. The initial actuarial valuation stated that there would be an unfunded liability that would have to be funded over a period of twenty five years commencing July 1, of 1977. The initial unfunded liability was found to be approximately 21.6 million dollars. After the first fiscal year operations, ending June 30, 1978, the actuarial valuation showed that under the law, as passed during the 1977 session, the unfunded liability had been reduced to 17.5 million dollars with a funding period of nineteen years from July 1, 1978. The passage of Senate Bill number 2137 would in effect extend this funding period from a nineteen year period to a twenty four year period from July 1, 1978. It would also increase the amount of unfunded liability from 17.5 million dollars to a slightly higher amount. The exact amount we are not able to calculate at this time. The amount, however, would not be larger than 21.6 million dollars. The fiscal impact, therefore is to extend the funding period of the retirement programs unfunded liability back to the initial anticipated twenty five year schedule and increase the amount of unfunded liability to near the original estimated amount. The current employer contribution of 5.12 percent of total payroll would be sufficient to fund this payment of the unfunded liability over the remaining twenty three year period, from July of 1979.

Signed

Alan Person

Typed Name

Alan Person, Executive Director

Date Prepared:

January 5, 1979

Department

North Dakota Public Employees
Retirement Systems