

FISCAL NOTE

	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
RETIREMENT FUND-592 Public Employee Plan	\$17,891,254	\$17,891,254	\$17,891,254
RETIREMENT FUND-547 Law Enforcement Plan	\$1,561,698	\$1,561,698	\$1,561,698
RETIREMENT FUND-548 Warden/Patrol/DCI Plan	\$236,125	\$236,152	\$236,152
RETIREMENT FUND-Fire B Plan	\$280,731	\$280,731	\$280,731
RETIREMENT FUND-Air Guard Firefighter Plan	\$19,177	\$19,177	\$19,177

Source of revenue increase(decrease):

The bill requires a 1% increase in payroll contributions to each of six state pension plans if a plan is funded at less than 100% based on its latest actuarial report. The plans impacted by the legislation: Public Employee Plan, Law Enforcement Plan, Warden-Patrol-Criminal Investigation Plan, Fire B Plan, Air Guard Firefighter Plan, and the Judicial Plan. Each pension plan is actuarially analyzed to be funded assuming a thirty (30) year time horizon.

The contribution increase is required to be paid for by the requisite employee members of each plan, so there is no corresponding expenditure increase from employers. Funds that would ordinarily be paid to employees as part of their salary would be diverted to the Wyoming Retirement System (WRS) to cover the required contribution increase proposed in the bill. The 1% contribution increase should continue to be in effect so long as a plan remains under 100% funded.

Assumptions:

There will be no material change in the employer payroll amounts or the number of filled positions.

Notes:

- The Judicial Plan is at or near 100% funded based on the most recent actuarial report and is projected to maintain this status. The current contribution rate for this plan is anticipated to keep the plan fully funded within thirty (30) years.
- The funding status is projected to be below 100% funding on an actuarial basis for all other impacted plans for each of the indicated fiscal years. Depending on each plan's pension experience and annual investment returns, the Public Employee Plan, Law Enforcement Plan, Warden-Patrol-DCI Plan and Fire B Plan will not reach 100% funding with the increased employee contribution over the assumed thirty (30) year funding assumption. The Air Guard Firefighter Plan is estimated to be fully funded within five years if the 1% increased employee contribution rate is implemented.

See the following table summarizing each impacted plan's funding status. The table provides the estimated current (as of January 1, 2018) funding ratio (as a percent (%) of full funding), years until the plan will be fully funded under current contributions, current contribution rates (employee and

employer shares combined), and projected contribution rates required to achieve 100% funding within thirty (30) years.

	Public Employee Plan	Law Enforcement Plan	Warden-Patrol-DCI Plan	Judicial Plan	Fire B Plan	Air Guard Firefighter Plan
Funding Ratio (%)	74.5%	85.8%	75.8%	98.80%	91.3%	84.9%
Years to Full Funding	30+	30+	30+	18	30+	8
Current Contribution Rate (%)	16.62%	17.20%	29.44%	23.72%	21.25%	23.77%
Contribution Rate (%) to Fund within 30 Years	19.20%	19.05%	31.64%	23.72%	27.10%	23.77%

Source: October 2017 WRS data.

- The WRS notes that there may be some administrative impacts to the state and participating employers, which are indeterminable, for the impacted plans to comply with the bill and account for this separate contribution rate.
- The WRS states it will be required to provide substantial education to pension plan members and employers on the bill's impact and how it is implemented.

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