

FISCAL NOTE

This bill would provide for the Wyoming Retirement System (WRS) to adjust contribution rates to the Public Employee Pension Plan (PE Plan) based on an actuarially determined contribution rate. The bill would limit rate adjustments to no more than a 0.5 percent increase or decrease every two years, starting July 1, 2026. The current statutorily set contribution rate for the PE Plan is 18.62 percent and estimated at 1.99 percent below the actuarially determined contribution rate of 20.61 percent, as of January 2023.

The WRS indicates if the actuarially determined contribution rate continues to be 20.61 percent, a 0.5 percent contribution rate increase to the PE Plan would occur on July 1, 2026. The bill specifies 49.68 percent of the contribution shall be paid by employees and 50.32 percent shall be paid by employers, however, some employers have different practices for picking up required employee contributions.

The employer share increase would result in an estimated \$1,200,000 expenditure increase in fiscal year (FY) 2027 to the General Fund for state agencies, the University of Wyoming, and community colleges. There would also be an estimated \$2,300,000 expenditure increase in FY 2027 to the School Foundation Program Account to pay for K-12 school districts' employer share increase. The State Budget Department indicates it would include the increased expenditures associated with the employer share increase in the standard budget.

Using WRS information, the 0.5 percent contribution rate increase would result in an estimated \$10,304,600 revenue increase in FY 2027 to the Wyoming Retirement Fund from all PE Plan participants as depicted in the table below.

Percentage of Total Contribution by Employer Classification and Distribution of 0.5 Percent Contribution Rate Increase.

Total by Employer Classification	Percentage of Total Contribution	Employee Share of 0.5% Increase	Employer Share of 0.5% Increase	Total
State of Wyoming	22.82%	\$1,168,260	\$1,183,310	\$2,351,570
University and Colleges	6.98%	\$357,543	\$362,150	\$719,693
School Districts	48.26%	\$2,470,796	\$2,502,626	\$4,973,422
Counties and Municipalities	14.37%	\$735,516	\$744,992	\$1,480,508
Other	7.56%	\$387,209	\$392,198	\$779,407
	100%	\$5,119,324	\$5,185,276	\$10,304,600

Source: [WRS materials](#) provided to Joint Appropriations Committee.

The WRS estimates this bill would accelerate the amortization of the unfunded liability and the PE Plan would reach 100 percent funding in 2048 compared to 2064 with no change from the current 18.62 percent contribution rate. There was an unfunded liability in the PE Plan of \$2,548,000,000 as of January 1, 2023.

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