



The deadline to pre-file bills dealing with retirement issues was 5 p.m., Friday, February 24. Provided below is a list of bills that were pre-filed for consideration by the Legislature during the upcoming Regular Session. These bills could have a potential impact on you as a retired educator and/or your retirement system.

The 2023 Regular Legislative Session begins at noon on Monday, April 10, and the legislature must complete its work by 6 p.m. on Thursday, June 8.

The listing provides the position LRTA will recommend taking on each of the bills. It is anticipated that other bills and resolutions that could pertain to retirement, such as constitutional conventions, will be added to this list of legislation to be monitored by LRTA once the session begins. For an up-to-date list of bills LRTA is tracking, visit <https://lrta.net/bills/>.

House bills and Senate bills are grouped under the specific topic addressed by the legislation.

## Direct Funding of Permanent Benefit Increases (PBIs)/Cost of Living Adjustments (COLAs)

### **Senate Bill No. 18 by Senator Ed Price**

This bill provides for direct payment of additional employer contributions to be credited to a newly established PBI/COLA account designed for accumulation of funds to pay PBIs/COLAs (the PBI/COLA account). The bill also provides for an additional component of the required employer contribution rate called the PBI/COLA account funding contribution, or AFC rate. In a year when the employer rate is scheduled to drop, half of the decrease will be added to the maximum possible AFC rate until that maximum equals 2.5%. The bill would phase out and terminate the Experience Account and of the diversion of the investment earnings into the account. In approximately 2029, the Experience Account will be phased out and any remaining balance would be transferred to the new COLA funding account.

Although this bill will not guarantee PBI/COLAs, the intent of this legislation is to garner direct funding to eventually award a 2% supplemental benefit increase every two to three years to retirees beginning in 2029 when the initial unfunded accrued liability (IUAL) is paid off.

## Payments Toward UAL

### **House Bill 47 by Representative Richard Nelson**

(Proposed Constitutional Amendment) To require the legislature to appropriate no less than 25 percent of nonrecurring state revenue (surplus) for application to certain state retirement system unfunded accrued liability (UAL). Currently, the legislature is required by the state constitution to appropriate a minimum 10 percent of surplus monies for application to certain state retirement system debt. This amendment would increase the minimum amount to 25 percent beginning fiscal year 2024-2025.

Updated: March 1, 2023