



FISCAL NOTE

House Bill 440

Committee: Ways and Means General Fund Sponsor: Representative Shedd

Analyst: Riley Aaron Date: 04/16/2024

House Bill 440 as introduced would increase the benefit expenses of the Employees' Retirement System (ERS) by an estimated \$17.1 million for Fiscal Year 2025, and declining by an estimated 3.6% each fiscal year thereafter, by providing a 3% cost-of-living-adjustment (COLA), not less than \$15 per month, for certain retirees or beneficiaries of ERS. Pursuant to this bill, this COLA would be contingent on the cost of the COLA being included and appropriated in the State General Fund act each fiscal year by a separate employer rate, pursuant to HB 201 of the Regular Session 2024, which is estimated to be a 1.05% additional employer rate for Fiscal Year 2025 and declining by an estimated 5% each fiscal year thereafter.

This bill would also increase the obligations of any local governments that participate in the ERS and opts-in to provide this COLA by an undetermined amount dependent on the cost to provide this COLA to its retirees.