

**Public Employees Retirement System
Budget 192
Senate Bill No. 2022; House Bill Nos. 1014, 1078**

	FTE Positions	General Fund	Other Funds	Total
2007-09 legislative appropriation	33.00	\$0	\$15,273,290	\$15,273,290
2005-07 legislative appropriation	<u>29.00</u>	<u>19,000</u>	<u>4,700,237</u>	<u>4,719,237</u>
2007-09 appropriation increase (decrease) to 2005-07 appropriation	4.00	(\$19,000)	\$10,573,053	\$10,554,053

NOTE: The 2007-09 legislative appropriation amounts include \$29,988 from other funds for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

Item Description

Appropriation line item transfers - Section 4 of Senate Bill No. 2022 provides that the Public Employees Retirement System may transfer funds from the contingencies line item to all other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Legacy application computer system replacement project - The Legislative Assembly provided a \$9,594,000 special funds appropriation to the Public Employees Retirement System for a legacy application computer system replacement project. The Legislative Assembly also authorized 4 new FTE positions for the agency relating to the computer system replacement project.

Section 5 of Senate Bill No. 2022 provides that the Public Employees Retirement System may seek Emergency Commission approval for additional spending authority required to complete implementation of the legacy application computer system replacement project.

Retiree benefits - Senate Bill No. 2044 allows a one-time payment of 75 percent of the monthly retirement benefit in January of either 2008 or 2009 if the fund's return for either year is at least 9.06 percent and increases retired judges' benefits by 2 percent beginning January 1, 2008, and January 1, 2009, if the Public Employees Retirement System Board determines there is actuarial margin sufficient to pay the increase.

Status/Result

The Public Employees Retirement System does not anticipate transferring from the contingencies line item.

The Public Employees Retirement System is implementing a new integrated benefits administration system. Sagitec Solutions has been selected as the project vendor. The agency has filled the 4 new FTE positions to allow project team members the ability to focus on the project. The agency anticipates spending approximately \$5.7 million in the 2007-09 biennium for the project and plans to request approval to continue the remaining \$3.9 million to complete the project in the 2009-11 biennium.

The Public Employees Retirement System realized a rate of return of 18.96 percent for fiscal year 2007 which allowed the agency to provide the one-time payment of 75 percent of the monthly retirement benefit to retirees in January 2008 and to increase retired judges' benefits by 2 percent effective January 2008.