

Costing NM/NR Pension Changes

Average Salary 2006 rates 37,893
 Total Employees 85
 2006 Total Base Salary 3,220,905

CC file # 090951

		Cost to Continue 2007 Into 2008	Cost to Continue 2007 Into 2009	2% 1.505% 2008	Cost to Continue 2008 Into 2009	2% 1.505% 2009	Cost to Continue 2009 Into 2010	Cost over Contract 2007-2009
Base Salary	2.00% 2007	64,418	64,418	49,444	65,706	50,433	67,021	358,838
Pension-military crdt (1)	0.099%	3,252	3,252	49	65	50	66	9,920

(1) Actuarial factor per ERS actuary.

Pension - 5.5% Contribution Future savings but difficult to estimate at this time.

Pension - 2% COLA and Bonus Year Please see attached worksheet

November 23, 2009

Estimate of Non-Represented Pension Benefit Impact

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Adjustment to Management/Non-Represented to reflect actual impacted population	78.2%
Original Cost for Benefits = to DC 48	2,100,000
Cost of Benefit after adjustment	1,643,005
Original savings from Normal Costs	2,300,000
Normal costs after adjustment	1,799,482
Percentage of Non-Represented to total Management/Non-Represented	8.6%
Cost if all retire (13 employees)	141,451
Cost of 50% retirement (6-7 employees)	70,725
Assume two positions not filled (including fringe benefits)	112,800
Normal cost savings from two eliminated positions	23,834
Net Savings	65,909

NMNR 2% COLA and Bonus Year

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$\$112,800 + \$23,834 = \$136,634$ Savings $\$136,634$ Savings - $\$70,725$ Cost = $\$65,909$ Net Savings

FISCAL NOTE WORKSHEET - NMNR

CC # 090951	CURRENT YEAR 2009	NEXT YEAR 2010	RECURRING
=====	=====	=====	=====
Military Crdt	3,252 07N		
	3,252 07R	3,252 07R	3,252 07R
	3,252 07R		
	49 08N		
	65 08R	65 08R	65 08R
	50 09N		
		66 09R	66 09R
Total	9,920	3,383	3,383

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Effective for retirements on and after January 1, 2007, remove the "sunset" on pension credit for prior military service. Costing figures provided by ERS Actuary 9/9/04.

Cost to change PSO election to earlier of 6 months prior to NSR date or 30 yrs and Remove Sunset on military credit.	As a % of covered compensation:	0.1160%
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Cost to change PSO election to earlier of 6 months prior to NSR date or 30 yrs.	As a % of covered compensation:	<u>0.0170%</u>
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Cost of removing sunset on credit for military service	As a % of covered compensation:	0.0990%
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