

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7516
BILL NUMBER: HB 1606

DATE PREPARED: Jan 4, 2001
BILL AMENDED:

SUBJECT: Retirement Fund Annuity Investments.

FISCAL ANALYST: James Sperlik
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FUNDS AFFECTED: **GENERAL** **IMPACT:** State
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 FEDERAL

Summary of Legislation: This bill provides that the Board of Trustees of the Public Employees' Retirement Fund (PERF) and the Board of Trustees of the Indiana State Teachers' Retirement Fund (TRF) each shall maintain an alternative investment program consisting of at least four retirement annuities within the Annuity Savings Account of the Public Employees' Retirement Fund, the Pre-1996 Account, and the 1996 Account. It requires each Board to select two insurers through a public bidding process. The bill requires each Board to provide a list of insurers to employers of fund members for each employer to select at least two insurers.

Effective Date: July 1, 2001.

Explanation of State Expenditures: While there would be some administrative costs associated with the provisions of this bill, the largest cost factor would be that of the costs charged by the insurers. The specific impact is not known at this time. The funds affected are the Investment Earnings Funds of both the Public Employees' Retirement Fund and the Teachers' Retirement Fund.

NOTE: This fiscal impact will be updated upon receipt of data regarding the rates charged by insurers.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund; Teachers' Retirement Fund.

Local Agencies Affected:

Information Sources: William Butler, Director of the Public Employees' Retirement Fund; 233-4133;

William Christopher, Director of the Teachers' Retirement Fund, 232-3869.