

**Bill Summary**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 108</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>555</b>
<b>Author:</b>	<b>Sen. Montgomery</b>
<b>Date:</b>	<b>12/08/2020</b>

**Bill Analysis**

SB 108 allows any pension board overseeing a pension system to authorize a cost of living benefit allowance increase based on up to 50% of the previous 2 years of Social Security cost of living adjustment percentage rates combined if certain requirements as outlined in the measure are met beginning November 1, 2021. The amount increases to 100% of the previous 2 years if there is a 95% probability that the fund shall remain above 95% unfunded accrued actual liability for the upcoming fiscal year for which a benefit increase is allowed. Beginning November 1, 2026, there must be a 95% probability that the fund shall remain above 100% unfunded accrued actual liability for the fiscal year in which a benefit increase is allowed.

The measure provides for the pension board to increase employee contributions by up to 1% provided the 3-year average of the unfunded accrued actual liability of a pension system drops below 65%. The 1% increase may also be instituted if the 3-year average of actual contributions by employers and the state combined fall below 90% of the Actuarial Determined Employer Contribution.

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