**Bill No.:** HB0109 **Effective:** 9/1/2018

**LSO No.:** **18LSO-0418**

**Enrolled Act No.:** HEA No. 0065

**Chapter No.:** 119

**Prime Sponsor:** Joint Appropriations Committee

**Catch Title:** **Public employee retirement plan-contributions.**

**Subject:** Increasing public employee retirement contributions.

## Summary/Major Elements:

- This act increases the employee and employer contribution rates for the Public Employee Pension Plan. This plan, commonly known as the "Big Plan", covers most state and numerous other public employees, including tier 1 and tier 2 members. The act does not affect other plans that cover law enforcement, firefighter, judiciary, and emergency medical technician members.

- The act provides for a total 2% increase in employer and employee contribution rates which will be fully effective July 1, 2020. The act phases in the new rates as follows:
    - The employee contribution rate is increased by .25% on September 1, 2018, July 1, 2019, July 1 2020, and July 1, 2021. The total employee contribution rate is increased by a total 1%.
    - The employer contribution rate is increased by .25% on September 1, 2018, July 1, 2019, July 1, 2020, and July 1, 2021. The total employer contribution rate is increased by a total 1%.

- The act requires state employees covered by the plan to pay the employee contribution rate through a reduction in cash salary. The state may not pay or "pick-up" the 1% state employee contribution rate increase.

- The act provides various appropriations for the employer contribution rate increases.

## Comments:

- Effective September 1, 2018.