

**FISCAL NOTE**

This bill contains an appropriation of \$9,000,000 from the GENERAL FUND to the VOLUNTEER FIREFIGHTER, EMERGENCY MEDICAL TECHNICIAN AND SEARCH AND RESCUE PENSION ACCOUNT.

The appropriation of \$9 million to the volunteer firefighter, emergency medical technician and search and rescue pension account (Volunteer Plan) will improve the actuarial funding status of the plan. The Wyoming Retirement System (WRS) reports the projected year of reaching one hundred percent (100%) funding for the Volunteer Plan is 2029 under the status quo and 2025 with a \$9 million appropriation on July 1, 2023. WRS reported preliminary investment performance for calendar year 2022 to be negative 5.5 percent, as compared to the assumed 6.8 percent rate of return. When a negative 5.5 percent return for 2022 is incorporated into projections, WRS projects the Volunteer Plan to reach one hundred percent (100%) funding in 2046 under the status quo and 2031 with a \$9 million appropriation on July 1, 2023.

WRS estimated the revenue from the fire insurance premium tax for 2023 will be \$5.3 million. Currently, W.S. 26-4-102(b)(ii) directs sixty percent (60%) of revenue generated by fire insurance premium taxes to the Volunteer Plan and forty percent (40%) to the fire A legislative reserve account for use in making monthly pension payments to beneficiaries of the closed pension plan known as "Fire A". The 40% directed to Fire A was a change made by 2022 SF 0039 which took effect on April 1, 2022.

This legislation provides that once the final beneficiary of Fire A has passed away, the Volunteer Plan would receive one hundred percent (100%) of the revenue resulting from fire insurance premium taxes each year. The fiscal impact from this aspect of the legislation is beyond the three years analyzed in this fiscal note, as WRS projects all beneficiaries of the Fire A plan will be deceased in the year 2083.

**Assumptions:**

WRS Board adopted assumptions including, rate of return, inflation, mortality, demographics and others, apply to these projections.

WRS projections assume 6.8% investment return in all years except when stated.

Actual results will likely vary from projections.

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