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Appropriations Committee

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Education and Economic Development
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Testimony in Support of HB 803
State Retirement and Pension System – Administrative Fees

Testimony of Delegate Cathi Forbes
Appropriations Committee
March 7, 2023

What this bill does

This bill will simplify the funding of the State Retirement Agency by decoupling the Administrative Fees paid by all participating employers in the system and the actual budget of the State Retirement Agency.

The Agency's budget will now be funded from the Trust, then the Trust is reimbursed from the Administrative Fees collected.

Who benefits from this bill

The State Retirement Agency, the Department of Budget and Management, but primarily participating employers. Participating employers currently have an arduous task of keeping track of the accounting of overages and deficiencies that result from the current process. Additionally under this bill the participating employers will have significantly greater lead time in preparing their budget for the upcoming fiscal year because they will know their administrative fees months in advance.

Why you should vote for this bill

It is a pragmatic change that simplifies government.

I ask for a favorable report.

Thank you.