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Patrick Moran - President

**SB 481 - State Retirement and Pension System - Nonvested Accounts - Regular Interest
POSITION: FAVORABLE**

AFSCME Council 3 supports SB 481. Currently, when a state employee starts a job in a different pension system, and they transfer jobs prior to vesting in that system and enter a different pension system – they are prohibited by the IRS from taking the funds out of the old system as long as they are still working. Since you cannot get a refund on your contributions back, the Retirement system pays the employee interest for the first 4 years after the employee’s transfer but makes money from the employee’s contribution into the old system for the duration that the employee is employed.

SB 481 corrects a fairness issue by allowing employees in this situation to collect interest on non-vested accounts until the employee quits working.

We urge the committee to provide a favorable report. Thank you.

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An employee has the right to a union representative if requested by the employee.
800.492.1996

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