ADDENDUM
GO Item #2
July 9, 2026
Worksession

M E M O R A N D U M

July 9, 2026

TO: Government Operations & Fiscal Policy Committee

FROM: Christine Wellons, Chief Legislative Attorney

SUBJECT: Bill 21-26, Employee Retirement System - Savings and Benefits - Amendments

PURPOSE: Worksession – Committee recommendation expected

The Government Operations and Fiscal Policy (GO) Committee held a worksession on Bill 21-26 on July 9 at 9:30 AM. At the worksession, the Committee asked Council staff to post an addendum to the staff report dated July 6, 2026. The purpose of this addendum is to provide clarifying information from the Department of Finance about potential fee increases for RSP participation as a result of Bill 21-26. The clarification relates to Item #3 of the original July 6th staff memorandum.

At the worksession, Ms. Yan, Chief of Retirement Administration for the Department of Finance, clarified that further analysis of potential fee increases demonstrates that annual fees for RSP participants likely will not increase as a result of eligible participants rolling over their RSP balances into the GRIP.

Initially, the Department believed that the roll overs might result in a fee increase of approximately $32 for RSP participants. However, the Department subsequently has homed in more precisely on the number of participants eligible to roll over their accounts. This more precise analysis demonstrates that the roll overs are not expected to result in fee increases for RSP participants.

In addition to Ms. Yan's clarifying remarks, the Office of Labor Relations provided the following written explanation of the issue:

> *Based on the new analysis with more relevant information, we do not expect any change in fees (expense ratio) for the funds. New information that was considered:*
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> *The fees are based on combined assets of all plans (RSP + DCP+ other small plans) rather than just looking at RSP assets. We looked at the change in combined assets now. We were able to get the fund allocations of the participants who are eligible to move to GRIP. Previously we used estimates based on median/average values. Even if we assume that all participants who are eligible to move are moving to GRIP, that is not expected to change the fund fees.*