

AGENDA

RETIREMENT AND INDEPENDENT ENTITIES INTERIM COMMITTEE

UTAH LEGISLATURE

Wednesday, October 17, 2012 • 7:15 a.m. • Room 30 House Building

Approximate
Time Frame

- 7:15 1. Committee Business**
- Call to order
 - Approval of the minutes of the August 15, 2012, meeting
- 7:20 2. Risk Management Coverage for Independent Entities**
The Division of Risk Management provides insurance coverage for all state agencies. This coverage includes liability insurance, property insurance, and vehicle coverage. Included in this coverage group are all state agencies, universities and colleges, school districts, and most of the charter schools. The Utah Code recognizes 13 independent entities for which the committee has some oversight. Does the division cover independent entities and, if so, in what ways? What unique challenges are associated with risk management assistance for independent entities?
- Tani Pack Downing, Director, Risk Management, Department of Administrative Services
- 7:35 3. Retirement Contribution Rates**
Contribution rates are the percentage of salary that participating employers must pay to the Utah State Retirement Investment Fund for each eligible employee to keep retirement systems funded on an actuarially sound basis. The rates are set based on actuarial projections and must be approved annually by the Utah Retirement Systems Board. The committee will hear an explanation of the new rates for FY 2014.
- Robert V. Newman, Executive Director, Utah Retirement Systems
- 7:45 4. Utah Retirement Systems Amendments (draft legislation)**
Annually, the Utah Retirement Systems (URS) recommends changes in the statute to keep the Utah State Retirement and Insurance Benefit Act updated by addressing issues identified in the previous year and by making technical changes.
- Daniel D. Andersen, Legal Counsel, Utah Retirement Systems
- 8:00 5. Tier II Benefit Protection Program for Long-term Disability Employees**
A benefit protection program allows a member with a disability to continue to earn retirement service credits during the disability. Under the program, the employer enters a contract with URS to pay the employer contributions while the employee is disabled (see Utah Code Section 49-11-404). Funding for a benefit protection program is normally built into the defined benefit contribution rates. However, under Tier II, an employee may choose a defined contribution plan for which this funding arrangement may not be feasible. The committee will discuss how to address this issue.
- Daniel D. Andersen, Legal Counsel, Utah Retirement Systems
- 8:10 6. Retirement Analysis Requirements for Newly Created Public Entities**
With very limited exceptions, a department, educational institution, political subdivision of the state, or public-funded agency is required to be a participating employer of URS. Charter schools and special-

service district hospitals may make a one-time election of nonparticipation (see Utah Code Section 49-13-302). In the analysis of whether to create a new public entity, retirement implications for its employees may be overlooked. What can be done to ensure that retirement-related issues are reviewed before a new public entity is created?

- Daniel D. Andersen, Legal Counsel, Utah Retirement Systems

8:20 7. Governmental Accounting Standards Board (GASB) New Standards -- Update

In June 2012, the GASB approved new standards that will change how governments calculate and report the costs and obligations associated with pensions. The new standards are designed to improve the decision-usefulness of reported pension information and to increase the transparency, consistency, and comparability of pension information across governments. The committee will hear a briefing on the new standards.

- Robert K. Kellersberger, Director of Finance, Utah Retirement Systems

8:30 8. Non-governmental Entities in the URS -- Update

State law requires a department, educational institution, political subdivision of the state, or public-funded agency to be a participating employer of URS, with very limited exceptions. However, an organization's structure and ownership may change over time, making it less clear whether the organization should be part of URS. The committee will hear a briefing on this issue.

- Daniel D. Andersen, Legal Counsel, Utah Retirement Systems

8:35 9. Other Items / Adjourn