

AGENDA

RETIREMENT AND INDEPENDENT ENTITIES INTERIM COMMITTEE UTAH LEGISLATURE

Wednesday, November 14, 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 October 17, 2012, meeting
- 7:20** **2. Risk Management Coverage for Independent Entities (draft legislation)**
During the October meeting, the committee heard a presentation from the Division of Risk Management on the unique challenges associated with risk management assistance for independent entities. The committee voted to prioritize a bill file to address issues raised by the division in the meeting. The committee will consider the draft legislation.
- Tani Pack Downing, Director, Division of Risk Management, Department of Administrative Services
- 7:40** **3. Post-retirement Health Coverage for Governors and Legislators (draft legislation)**
During the 2012 General Session, S.B. 156, "Elected Official Retirement Benefits Amendments," passed, which, among other things, eliminated the governor and legislators' paid-up group health coverage benefit for new governors and legislators. This benefit was designed to provide health coverage for retired governors, legislators, and their spouses who are between the ages of 62 and 64. The lifetime Medicare supplemental coverage provided to new governors, legislators, and their spouses was not eliminated in the 2012 bill. The committee will consider draft legislation.
- Shannon Halverson, Associate General Counsel, Office of Legislative Research and General Counsel
- 7:50** **4. Retirement Analysis Requirements for Newly Created Public Entities (draft legislation)**
During the October meeting, the committee heard a presentation from the Utah Retirement Systems (URS) on the need for requiring an analysis of employee retirement implications for a newly created public entity. The committee voted to prioritize a bill file to address issues raised by URS in the meeting. The committee will consider the draft legislation.
- Daniel D. Andersen, Legal Counsel, Utah Retirement Systems

8:00 5. Line-of-duty Death and Disability Amendments (draft legislation)
The committee will consider draft legislation to address line-of-duty death and disability provisions for a public safety service or firefighter service employee resulting from strenuous activity, including a heart attack or stroke, that occurs during training or another activity required by an act of duty as a public safety service or firefighter service employee.

- Rep. Ronda Rudd Menlove

8:10 6. Public Employee Exemptions From the Utah Retirement Systems
Current state law provides a short list of public employees who are either not eligible for membership in a URS-defined benefit system or who can elect to be exempt from a defined benefit system in favor of a defined contribution (see Utah Code Section 49-13-203). The list of employees allowed to make a request for exemption is limited to elected officials, state departments heads, and certain other employees. These employees may only be in public employment for a short period of time, yet are needed for their expertise. The number of public employees allowed to be exempt is limited to both retain and reward career employees and protect URS's actuarial stability. During the 2012 General Session, an attempt was made to expand the short list to include deputy directors and division heads of state government, which resulted in this study item. How should the Legislature respond to these issues?

- Benjamin N. Christensen, Policy Analyst, Office of Legislative Research and General Counsel

8:20 7. 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 continue its discussion from the October meeting on how to address this issue.

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

8:30 8. Other Items / Adjourn