

The background of the slide is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance.

UTAH POSTRETIREMENT EMPLOYMENT RESTRICTIONS

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WHY POSTRETIREMENT EMPLOYMENT RESTRICTIONS?

Effective restrictions help keep retirement costs down

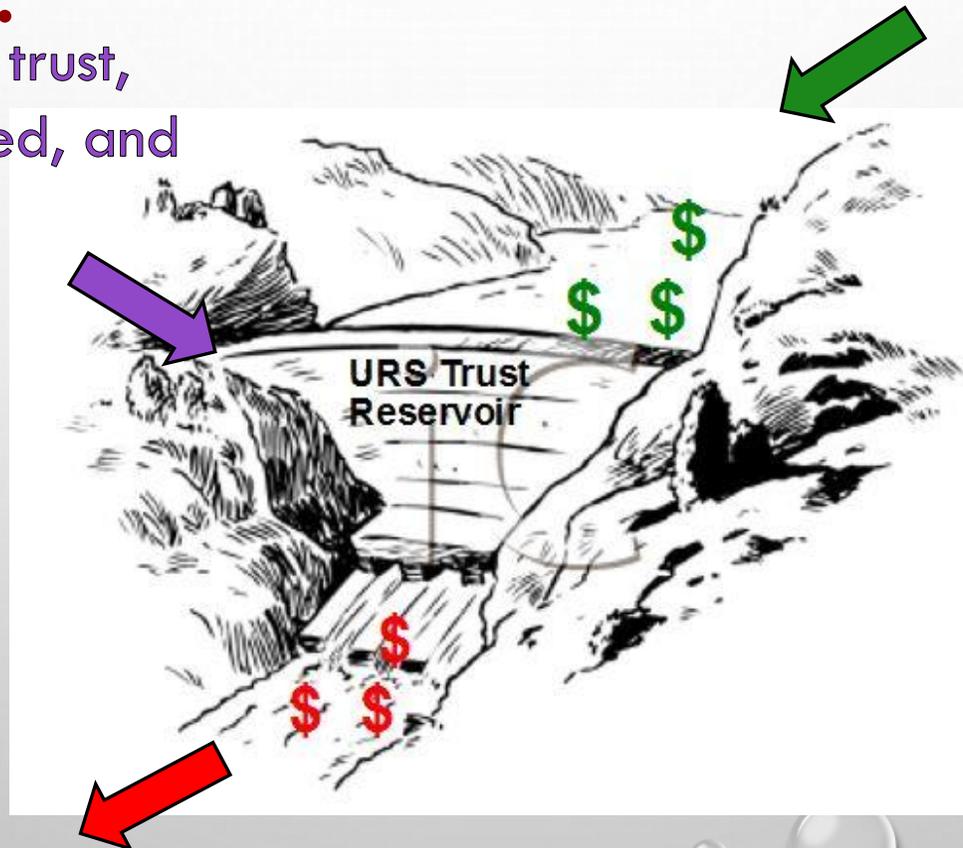
- Restrictions help reduce incentives to retire immediately upon reaching eligibility.
- The longer an employee works before retiring, the longer the pay-in period to the retirement system for contributions and investment earnings.
- Retiring early decreases the pay-in period and increases the pay-out period during which the retirement system has to pay retirement allowances.
- Actuarial assumptions include a retirement system's actual and projected retirement patterns.
- Contribution rates will be adjusted to reflect actual and projected costs to retirement systems.

UTAH RETIREMENT SYSTEMS

LIKE A RESERVOIR OF SHARED FUNDS FOR

MEMBERS...

1. Funds are held in trust, professionally managed, and invested.



3. Funds are paid out monthly by formula, during retirement years.

2. Employer and employee contributions are deposited each pay period during working years; fund investment returns are also added.

WHAT ARE UTAH'S POSTRETIREMENT EMPLOYMENT RESTRICTIONS?

- No double-dipping – while collecting a retirement allowance a retiree may not:
 - Receive any retirement-related employer contribution; or
 - Earn additional retirement service credit.
- One-year separation after retirement – the retiree may not work for a URS participating employer for compensation.
- After the one-year separation, a reemployed retiree (hired full-time) may receive a salary and either:
 - Keep receiving the retirement allowance and forfeit any new retirement contributions; or
 - Cancel the retirement allowance and earn additional service credit, the same as other employees.
- If a retiree returns to work before completing the one-year separation, the retirement allowance is canceled.

WHAT ARE THE EXCEPTIONS TO POSTRETIREMENT EMPLOYMENT RESTRICTIONS?

- After a 60-day separation, a retiree may be reemployed if the retiree does not:
 - Receive any employer-paid benefits; and
 - Earn more than \$15,000 in any calendar year,
- The one-year separation requirement restarts when this reemployment terminates.

WHAT ARE THE ARGUMENTS AGAINST POSTRETIREMENT EMPLOYMENT RESTRICTIONS?

- Retirees have expertise and experience that are needed within the state.
- For reemployment after retirement a retiree has to compete with all other job applicants.
- The retirement systems should be funded sufficiently that once a retiree is eligible to retire, the state should not be concerned about what the retiree does next.
- A public safety officer and a firefighter are young persons' professions and their retirement systems allow for a shorter career (20 to 25 years), so the state should accommodate a second career for these groups.
- Out-of-state retirees have no reemployment restrictions in the state giving them an advantage over in-state retirees.

CONCLUSIONS

- Effective postretirement reemployment restrictions help keep retirement costs down.
- Any change to the current level of postretirement reemployment restrictions is a policy choice for the legislature to decide, some policy options include:
 - Keep current restrictions;
 - Make minor targeted changes as they arise;
 - Reduce current restrictions and pay any cost increases; or
 - Make other changes.