

REVISED AGENDA
RETIREMENT AND INDEPENDENT ENTITIES
INTERIM COMMITTEE
UTAH LEGISLATURE

Tuesday, November 10, 2015 • 1:00 p.m. • Room 30 House Building

Approximate
time frame

1:00

1. Committee Business

- Call to order
- Approval of the minutes of the September 9, 2015, meeting

1:05

2. Utah Retirement Systems (URS) Funded Status – Update

The funded status of URS is reflected in key measures used in government accounting and actuarial analysis. Key measures include: funded ratio, actuarial value of assets, market value of assets, actuarial accrued liability, unfunded actuarial accrued liability (UAAL), and Net Pension Liability. The committee will hear an explanation of these measures, a report on financial positions and reporting, and an update on the implementation of Governmental Accounting Standards Board (GASB), Statement Number 67, "Financial Reporting for Pension Plans" and Statement Number 68, "Accounting and Financial Reporting for Pensions."

- Daniel D. Andersen, Executive Director, Utah Retirement Systems

1:30

3. Retirement Systems Audit Recommendations Amendments (draft legislation)

During the June meeting, the committee heard a Performance Audit of URS Management and Investment Practices presented by representatives of the Legislative Auditor General. The audit reviewed URS transparency, asset allocation, qualifications to perform fiduciary duties, and defined contribution investment manager selection. After hearing the presentation, the committee voted to open a bill file to implement the audit recommendations. The committee will review the audit recommendations and consider the draft legislation for potential recommendation for the 2016 General Session.

- Daniel D. Andersen, Executive Director, Utah Retirement Systems
- Dee S. Larsen, Legal Counsel, Utah Retirement Systems

1:50

4. Utah Retirement Systems Amendments (draft legislation)

During the September meeting, a representative of URS explained this draft legislation to the committee. Annually, URS recommends changes in statute by addressing issues identified in the previous year and making technical and administrative changes to keep the Utah State Retirement and Insurance Benefit Act updated. The committee will consider the draft legislation for potential recommendation for the 2016 General Session.

- Daniel D. Andersen, Executive Director, Utah Retirement Systems
- Dee S. Larsen, Legal Counsel, Utah Retirement Systems

2:00

5. Retirement and Insurance Benefit Claims Limits (draft legislation)

During the September meeting, a representative of URS explained the concepts of this potential draft legislation to the committee. URS administers retirement, disability, and health

benefits and, occasionally, errors are discovered and claim disputes arise. URS is proposing to address statutory time limits for employers and employees to bring benefit claims in order to resolve potential disputes in a timely manner. The committee will consider the draft legislation for a potential recommendation for the 2016 General Session.

- Daniel D. Andersen, Executive Director, Utah Retirement Systems
- Dee S. Larsen, Legal Counsel, Utah Retirement Systems

2:15 **6. Phased Retirement (draft legislation)**

During the June meeting, a representative of URS explained the concepts of this potential draft legislation to the committee. As an alternative to traditional postretirement employment restrictions, the bill would allow a retiree to retire in place under an agreement to work half-time and receive half of the normal retirement allowance. The committee will consider the draft legislation for potential recommendation for the 2016 General Session.

- Daniel D. Andersen, Executive Director, Utah Retirement Systems
- Dee S. Larsen, Legal Counsel, Utah Retirement Systems

2:30 **7. Recodification of Postretirement Reemployment Provisions (draft legislation)**

Utah Code Section 49-11-505 was enacted as part of the 2010 retirement reforms and provides restrictions on postretirement reemployment. Since its enactment, several amendments have been made making the language in that section long and potentially confusing. At the direction of the chairs, the section has been recodified (rewritten) into its own part with the provisions divided into eight sections. The committee will consider the draft legislation for potential recommendation for the 2016 General Session.

- Shannon C. Halverson, Associate General Counsel, Office of Legislative Research and General Counsel

2:40 **8. Retirement Working Group Recommendations (draft legislation)**

The President of the Senate and the Speaker of the House of Representatives authorized three meetings of the Retirement Working Group. The working group was charged with studying and making recommendations to this committee on postretirement reemployment restrictions. The working group recommends that the committee consider the following four bills:

- **"Postretirement Employment Restrictions"** (the 60-day only separation for all)
- **"Postretirement Employment Exceptions"** (the 60-day only separation for public safety, firefighters, and educators)
- **"Postretirement Employment Rural and Title I School Exceptions"** (the 60-day only separation for reemployment in a rural county, small city or town, or Title I school)
- **"Postretirement Reemployment Amendments"** (the earnings limitation increase from \$15,000 to \$20,000)

3:20 **9. Firefighter Tier II Proposal**

The Professional Firefighters of Utah propose legislation be drafted to restore firefighters to a Tier I retirement for all years of service going forward. Earned Tier II benefits would remain unchanged. The committee will hear the proposal.

- Jack Tidrow, President, Professional Firefighters of Utah
- Marty Peterson, Firefighter Representative, Pension Membership Council

3:40

10. Department of Human Resource Management Rate Committee Amendments (draft legislation)

The Department of Human Resource Management is proposing changes to the department's rate committee. The committee will consider the draft legislation for potential recommendation for the 2016 General Session.

- Debbie Cragun, Director, Department of Human Resource Management

3:55

11. Other Items / Adjourn