

Part 2

Retirement Office and Board

49-11-201 Establishment of retirement office -- An independent state agency -- Office exemption.

- (1)
 - (a) There is established the Utah State Retirement Office, which may also be known and function as the Utah State Retirement Systems or the Utah Retirement Systems.
 - (b) The office shall administer the systems, plans, and programs and perform all other functions assigned to it under this title.
- (2)
 - (a) The office is an independent state agency.
 - (b) It is subject to legislative and executive department budgetary review and comment.
- (3) The office may establish branch offices upon approval of the board.
- (4) The board and office are exempt from those acts which are applicable to state and other governmental entities under this code.

Amended by Chapter 15, 2014 General Session

49-11-202 Establishment of Utah State Retirement Board -- Quorum -- Terms -- Officers -- Expenses and per diem -- Membership Council established.

- (1) There is established the Utah State Retirement Board composed of seven board members determined as follows:
 - (a) Four board members, with experience in investments or banking, shall be appointed by the governor from the general public.
 - (b) One board member shall be a school employee appointed by the governor from at least three nominations submitted by the governing board of the school employees' association that is representative of a majority of the school employees who are members of a system administered by the board.
 - (c) One board member shall be a public employee appointed by the governor from at least three nominations submitted by the governing board of the public employee association that is representative of a majority of the public employees who are members of a system administered by the board.
 - (d) One board member shall be the state treasurer.
- (2) Four board members constitute a quorum for the transaction of business.
- (3)
 - (a) All appointments to the board shall be made on a nonpartisan basis, with the consent of the Senate.
 - (b) Board members shall serve until their successors are appointed and take the constitutional oath of office.
 - (c) When a vacancy occurs on the board for any reason, the replacement shall be appointed for the unexpired term.
- (4)
 - (a) Except as required by Subsection (4)(b), all appointed board members shall serve for four-year terms.

- (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that:
 - (i) approximately half of the board is appointed every two years; and
 - (ii) no more than two of the board members appointed under Subsection (1)(a) are appointed every two years.
 - (c) A board member who is appointed as a school employee or as a public employee who retires or who is no longer employed with a participating employer shall immediately resign from the board.
- (5)
- (a) Each year the board shall elect a president and vice president from its membership.
 - (b) A board member may not receive compensation or benefits for the board member's service, but may receive per diem and travel expenses in accordance with:
 - (i) Section 63A-3-106;
 - (ii) Section 63A-3-107; and
 - (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- (6)
- (a) There is established a Membership Council to perform the duties under Subsection (10).
 - (b) A member of the council may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
 - (i) Section 63A-3-106;
 - (ii) Section 63A-3-107; and
 - (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- (7) The Membership Council shall be composed of 13 council members selected as follows:
- (a) Three council members shall be school employees selected by the governing board of an association representative of a majority of school employees who are members of a system administered by the board.
 - (b) One council member shall be a classified school employee selected by the governing board of the association representative of a majority of classified school employees who are members of a system administered by the board.
 - (c) Two council members shall be public employees selected by the governing board of the association representative of a majority of the public employees who are members of a system administered by the board.
 - (d) One council member shall be a municipal officer or employee selected by the governing board of the association representative of a majority of the municipalities who participate in a system administered by the board.
 - (e) One council member shall be a county officer or employee selected by the governing board of the association representative of a majority of counties who participate in a system administered by the board.
 - (f) One council member shall be a representative of members of the Judges' Noncontributory Retirement System selected by the Judicial Council.
 - (g) One council member shall be a representative of members of the Public Safety Retirement Systems selected by the governing board of the association representative of the majority of peace officers who are members of the Public Safety Retirement Systems.
 - (h) One council member shall be a representative of members of the Firefighters' Retirement System selected by the governing board of the association representative of the majority of paid professional firefighters who are members of the Firefighters' Retirement System.

- (i) One council member shall be a retiree selected by the governing board of the association representing the largest number of retirees, who are not public education retirees, from the Public Employees' Contributory and Public Employees' Noncontributory Retirement Systems.
 - (j) One council member shall be a retiree selected by the governing board of the association representing the largest number of public education retirees.
- (8)
- (a) Each entity granted authority to select council members under Subsection (7) may also revoke the selection at any time.
 - (b) Each term on the council shall be for a period of four years, subject to Subsection (8)(a).
 - (c) Each term begins on July 1 and expires on June 30.
 - (d) When a vacancy occurs on the council for any reason, the replacement shall be selected for the remainder of the unexpired term.
- (9) The council shall annually designate one council member as chair.
- (10) The council shall:
- (a) recommend to the board and to the Legislature benefits and policies for members of any system or plan administered by the board;
 - (b) recommend procedures and practices to improve the administration of the systems and plans and the public employee relations responsibilities of the board and office;
 - (c) examine the record of all decisions affecting retirement benefits made by a hearing officer under Section 49-11-613;
 - (d) submit nominations to the board for the position of executive director if that position is vacant;
 - (e) advise and counsel with the board and the director on policies affecting members of the various systems administered by the office; and
 - (f) perform other duties assigned to it by the board.

Amended by Chapter 286, 2010 General Session

Amended by Chapter 321, 2010 General Session

49-11-203 Powers and duties of board.

- (1) The board shall:
- (a) appoint an executive director to administer the office;
 - (b) receive and act upon reports covering the operations of the systems, plans, programs, and funds administered by the office;
 - (c) ensure that the systems, plans, programs, and funds are administered according to law;
 - (d) review any final order of a hearing officer and approve or modify the order at the board's discretion in accordance with Section 49-11-613;
 - (e) examine and approve an annual operating budget for the office;
 - (f) serve as investment trustees of the Utah State Retirement Investment Fund as provided under this title;
 - (g) maintain, in conjunction with participating employers and members, the systems, plans, and programs on an actuarially sound basis;
 - (h) report annually to the governor, the Legislature, and each participating employer the contribution rates, premium rates, and any adjustments necessary to maintain the systems, plans, and programs on a financially and actuarially sound basis;
 - (i) receive and act upon recommendations of the executive director;
 - (j) recommend to the governor and Legislature, through the executive director, any necessary or desirable changes to this title;

- (k) develop broad policy for the long-term operation of the various systems, plans, and programs under broad discretion and power to perform the board's policymaking functions, including the specific authority to interpret and define any provision or term under this title when the board or office provides written documentation which demonstrates that the interpretation or definition promotes uniformity in the administration of the systems or maintains the actuarial soundness of the systems, plans, or programs;
 - (l) adopt interest rates, premium rates, and annual contribution rates after reviewing actuarial recommendations;
 - (m) establish the compensation of the executive director and adopt compensation plans and policies based on market surveys for positions in the office;
 - (n) take action consistent with this title for the administration of the systems, plans, and programs in order to carry out the purposes of this title;
 - (o) provide for audits of the systems, plans, programs, and funds;
 - (p) take actions not in conflict with the board's trust and fiduciary responsibilities or other law, with respect to the governance of the office which are substantially similar to those governing other public agencies; and
 - (q) otherwise exercise the powers and perform the duties conferred on the board by this title.
- (2) The board may:
- (a) subpoena witnesses and compel their attendance to testify before it, for which purpose each board member may administer oaths and affirmations to witnesses and others transacting business of the office;
 - (b) establish councils to recommend to the board and the executive director policies affecting members of any systems, plans, and programs administered by the board;
 - (c) pay the travel expenses of council members who attend council meetings; and
 - (d) sue and be sued in its own name.

Renumbered and Amended by Chapter 250, 2002 General Session

49-11-204 Powers and duties of executive director.

The executive director shall:

- (1) act as the executive officer of the board and the office;
- (2) administer the various systems, plans, programs, and functions assigned to the board or office;
- (3) subject to board review, develop and implement internal policies and procedures which administer and govern the day-to-day operations of the systems, plans, and programs;
- (4) transmit orders of a hearing officer made under Section 49-11-613 to the board;
- (5) provide information concerning the operation of the office to the board, the governor, the Legislature, participating employers, and employer and employee associations, unless otherwise restricted under Section 49-11-618;
- (6) inform the Legislature of any recommendations from the board regarding any necessary or desirable changes to this title;
- (7) consult with the Legislature on all legislation under this title;
- (8)
 - (a) recommend to the board an annual administrative budget covering the operations of the office and, upon approval, submit the budget along with the actuarial status of the funds to the governor and the Legislature for review and comment; and
 - (b) direct and control the subsequent expenditures of the budget;

- (9) employ, within the limitations of the budget, personnel to administer the systems, plans, programs, and funds assigned to the office, including consultants, actuaries, attorneys, medical examiners, investment counselors, and accountants to accomplish the purposes of this title;
- (10) establish independent financial records for each of the systems, plans, and programs or combine all financial records using acceptable principles of accounting to identify the assets and vested interests of each system, plan, or program;
- (11) maintain individual records necessary to provide benefits under this title;
- (12) keep in convenient form all records, accounts, and data necessary for the administration and actuarial valuation of the systems, plans, and programs;
- (13) adopt fees, charges, and upon the recommendation of the actuary, interest rates and tables for the administration of the systems, plans, and programs;
- (14) consolidate into one payment all monthly allowances and any defined contribution distributions if the integrity of the various funds is maintained through appropriate accounting records;
- (15) at least every three years:
 - (a) make an actuarial investigation into the mortality, service, and other experience of the members, participants, beneficiaries, and covered individuals of the systems, plans, and programs;
 - (b) actuarially value the assets and liabilities of the administered funds and accounts; and
 - (c) determine the rate of interest being earned by the funds;
- (16) report to the board findings under Subsection (15), with recommendations, including proposed changes in the rates of contribution or benefits that are necessary to maintain the actuarial soundness of the systems, plans, or programs;
- (17) regulate participating employers by:
 - (a) educating them on their duties imposed by this title;
 - (b) specifying the time, place, and manner in which contributions shall be withheld and paid; and
 - (c) requiring any reports necessary for the administration of this title; and
- (18) otherwise exercise the powers and perform the duties conferred on the executive director by this title.

Amended by Chapter 252, 2008 General Session