

49-22-310 Defined benefit adjustments -- Conditions -- Process -- Future years accrual.

- (1) In accordance with this section, the Legislature may make adjustments to the benefits provided for the defined benefit portion of the Tier II Hybrid Retirement System created under this part if the member's contribution required under Subsection 49-22-301(2)(b) to the certified contribution rate for the defined benefit portion of this system exceeds 2% of the member's salary and:
 - (a)
 - (i) the membership council created under Section 49-11-202 recommends an adjustment to the board in accordance with Subsection (2); and
 - (ii) the board recommends specific adjustments to the Legislature in accordance with Subsection (2); or
 - (b) an actuarial study that conforms with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and requested or commissioned by the board or the Legislature concludes:
 - (i) there is a significant likelihood that contribution rates will continue to rise; and
 - (ii) that participating employers are liable for system costs above the contribution rate established under Subsection 49-22-301(2)(a).
- (2) If the conditions under Subsection (1)(a) or (b) are met, the Legislature may adjust benefits for the defined benefit portion of the Tier II Hybrid Retirement System accrued or applied for future years of service including:
 - (a) the final average salary calculation provided under Section 49-22-102;
 - (b) the years of service required to be eligible to receive a retirement allowance under Section 49-22-304;
 - (c) the years of service credit multiplier established under Subsection 49-22-305(2)(a);
 - (d) the annual cost-of-living adjustment under Section 49-22-308; or
 - (e) other provisions of the defined benefit portion of the Tier II Hybrid Retirement System.
- (3)
 - (a) Notwithstanding the provisions of Subsections (1) and (2), the Legislature may make adjustments to the benefits provided for the defined benefit portion of the Tier II Hybrid Retirement System created under this part if an actuarial study described under Subsection (1)(b) concludes, due to current and projected economic conditions, member participation levels, and system structure, that the system:
 - (i) cannot reasonably be sustained under its current provisions;
 - (ii) is critically underfunded; and
 - (iii) has become unstable and is in risk of collapse.
 - (b) Subject to federal law, the adjustments under Subsection (3)(a) may include:
 - (i) conversion to a different type of retirement plan;
 - (ii) equitable distribution of system assets to retirees and members; and
 - (iii) a closure of the system.

Enacted by Chapter 439, 2011 General Session