

**MINUTES OF THE  
HOUSE RETIREMENT AND INDEPENDENT ENTITIES STANDING COMMITTEE  
Room 20, House Building  
March 10, 2015**

**Members Present:** Rep. Kraig Powell, Chair  
Rep. Rich Cunningham, Vice Chair  
Rep. Sophia DiCaro  
Rep. Brad Last  
Rep. John Westwood

**Members Absent:** Rep. Susan Duckworth  
Rep. Steve Eliason  
Rep. Justin Miller  
Rep. Marie Poulson

**Staff Present:** Mr. Benjamin N. Christensen, Policy Analyst  
Ms. Kathy Gessel, Committee Secretary

**Note:** A list of visitors and a copy of handouts are filed with the committee minutes.

Vice Chair Cunningham called the meeting to order at 7:36 a.m.

**MOTION:** Rep. Westwood moved to approve the minutes of the March 6, 2015, meeting.  
The motion passed unanimously.

**1st Sub. S.B. 239 Retirement Withdrawal Modifications (*Sen. T. Weiler*)**

Sen. Weiler explained the bill to the committee.

Spoke to the bill: Dee Larsen, Utah Retirement Systems

**MOTION:** Rep. Powell moved to pass the bill out favorably. The motion passed  
unanimously.

**H.B. 439 Utah Retirement Systems Accountability Amendments (*Rep. E. Hutchings*)**

Rep. Hutchings explained the bill to the committee.

Spoke to the bill: Dee Larsen, Utah Retirement Systems  
Jay Blain, Utah Education Association

**MOTION:** Rep. Westwood moved to amend the bill as follows:

1. *Page 1, Lines 20 through 21:*

- 20           •   prepare and submit a comprehensive annual report; ~~{and}~~ =  
              ▶ adds the state auditor to the Utah State Retirement Membership Council;  
              and  
21           ▶   makes technical changes.

2. *Page 2, Lines 29 through 30:*

- 29           49-11-201, as last amended by Laws of Utah 2014, Chapter 15  
              = 49-11-202, as last amended by Laws of Utah 2010, Chapters 286 and 321  
30           49-11-203, as renumbered and amended by Laws of Utah 2002, Chapter 250

3. *Page 3, Lines 65 through 66:*

- 65           (4) The board and office are exempt from those acts which are applicable to state  
              and  
66           other governmental entities under this code.

= **Section 3. Section 49-11-202 is amended to read:**

**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}~~ 14 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.

**(k) One council member shall be the state auditor.**

(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.

**Renumber remaining sections accordingly.**

**SUBSTITUTE**

**MOTION:** Rep. Powell moved to pass the bill out favorably. The motion passed unanimously.

**MOTION:** Rep. Powell moved to adjourn the meeting. The motion passed unanimously.

Vice Chair Cunningham adjourned the meeting at 8:03 a.m.