S.B. 36
POSTRETIREMENT EMPLOYMENT EXCEPTIONS

SENATE FLOOR AMENDMENTS   AMENDMENT 1   MARCH 7, 2016 1:11 PM

Senator **Todd Weiler** proposes the following amendments:

1. *Page 1, Line 14:*

     14   This bill:

          ▸ **requires that certain costs shall be included in the final contribution rates adopted and certified by the Utah State Retirement Board;**

2. *Page 2, Line 28 through Page 2, Line 28:*

     28   AMENDS:

          49-11-301, as last amended by Laws of Utah 2004, Chapter 322

3. *Page 2, Lines 31 through 32:*

     31   *Be it enacted by the Legislature of the state of Utah:*

          Section 1. Section 49-11-301 is amended to read:

          49-11-301. Creation -- Board to act as trustees of the fund -- Commingling and pooling of funds -- Interest earnings -- Funded ratio.

          (1) There is created a common trust fund known as the "Utah State Retirement Investment Fund" for the purpose of enlarging the investment base and simplifying investment procedures and functions.

          (2) (a) The board shall act as trustees of the Utah State Retirement Investment Fund and, through the executive director, may commingle and pool the funds and investments of any system, plan, or program into the Utah State Retirement Investment Fund, if the principal amounts of the participating funds do not lose their individual identity and are maintained as separate trust funds on the books of the office.

          (b) (i) In combining the investments of any fund, each of the participating funds shall be credited initially with its share of the total assets transferred to the Utah State Retirement Investment Fund.

          (ii) The value of the transferred assets shall be calculated in accordance with generally accepted accounting principles.

          (c) Subsequent transfers of additional capital from participating funds shall be credited similarly to its respective trust account.

          (d) The income or principal or equity credit belonging to one participating fund may not be transferred to another, except for the purpose of:

          (i) actuarially recommended transfers in order to adjust employer contribution rates for an employer that participates in both contributory and noncontributory systems; or

          (ii) transfers which reflect the value of service credit accrued in different systems during a member's career.

(3) The assets of the funds are for the exclusive benefit of the members, participants, and covered individuals and may not be diverted or appropriated for any purpose other than that permitted by this title.

(4) (a) Interest and other earnings shall be credited to each participating fund on a pro rata equity position basis.

(b) (i) A portion of the interest and other earnings of the common trust fund may be credited to a reserve account within the Utah State Retirement Investment Fund to meet adverse experiences arising from investments or other contingencies.

(ii) Each participating fund shall retain its proportionate equity in the reserve account.

(5) (a) The actuarial funded ratio of the systems may reach and be maintained at 110%, as determined by the board's actuary using assumptions adopted by the board, before the board is required to certify a decrease in contribution rates.

(b) {The} **Except as provided in Subsection (6), the** board may not increase contribution rates to attain an actuarial funded ratio greater than 100%.

(6) (a) The cost of any amendment to this title shall be included in the final contribution rates adopted and certified by the board in accordance with Subsections 49-11-102(14) and 49-11-203(1)(l).

(b) If a preliminary certified contribution rate approved by the board prior to an annual General Session or Special Session of the Legislature was maintained at a previous year's level that is higher than the contribution rate calculated by the board's actuary for that year in accordance with Subsection (5)(a), the board's final certified contribution rate shall be the sum of the actuarially determined costs from any amendment to this title during the General Session or Special Session and the preliminary certified contribution rate.

32   Section   {1}   **2** . Section **49-11-505** is amended to read: