

32 • provide deferred compensation as part of a total employment compensation and
33 benefits package;
34 • help employers attract and retain the required workforce;
35 • reward longevity related to years of service; and
36 • provide an income base for retirees that enhances economic security and income
37 replacement in later years;

38 WHEREAS, in 2010, the Legislature passed S.B. 63, New Public Employees' Tier II
39 Contributory Retirement Act, which continued the participation of existing public employees in
40 the Utah Retirement Systems' Tier I defined benefits systems and plans, but created Tier II
41 retirement systems and plans for public employees beginning employment on or after July 1,
42 2011, who did not have previous service credit with the Utah Retirement Systems;

43 WHEREAS, the Tier II retirement systems reduced the retirement benefits offered to
44 new public employees in comparison to the retirement benefits previously offered to public
45 employees, and these Tier II changes affected the retirement benefits for new public safety
46 officers and firefighters;

47 WHEREAS, the reduction in retirement benefits under the Tier II systems was enacted
48 as an important part of the long-term plan for stabilizing the pension funding obligations and
49 controlling benefits costs for the participating employers;

50 WHEREAS, while the total compensation package for public sector employees in Utah
51 was generally considered competitive with the private sector when S.B. 63 passed, starting
52 wages were approximately 30% below market starting wages;

53 WHEREAS, the concern was raised that a benefit reduction, when combined with
54 lower starting wages, may discourage individuals from choosing public sector employment,
55 and especially public safety and firefighter careers;

56 WHEREAS, proponents of S.B. 63 argued that controlling pension and future benefits
57 costs would, over time, make more money available to systematically fund pay increases in
58 order to close the public sector wage gap;

59 WHEREAS, since its implementation, the Tier II retirement systems are accomplishing
60 S.B. 63's objectives and controlling public employers' pension and future benefits costs;

61 WHEREAS, the total savings for all of Utah's employers resulting from Tier II public
62 safety officers and firefighters in 2015 was \$6.8 million, and these annual savings are steadily

63 growing as the workforce shifts from Tier I to Tier II members; and

64 WHEREAS, the Tier II annual employers' savings provide the opportunity and means to
65 fund a pay increase for the public safety officers and firefighters that are Tier II members:

66 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
67 Governor concurring therein, encourages the state of Utah, as well as the other employers of
68 public safety officers and firefighters throughout the state, to provide a pay increase for its
69 public safety officer and firefighter employees who are members of the New Public Safety and
70 Firefighter Tier II Contributory Retirement System.

Legislative Review Note
Office of Legislative Research and General Counsel