

ADDITIONAL STATE RETIREMENT BENEFIT

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kory M. Holdaway

Senate Sponsor: Brent H. Goodfellow

LONG TITLE

General Description:

This bill modifies the Utah State Retirement and Insurance Benefit Act by authorizing an additional retirement benefit for certain retirees.

Highlighted Provisions:

This bill:

- ▶ increases the retirement allowance of members of the Public Employees' Contributory Retirement System with service prior to July 1, 1975; and
- ▶ increases the retirement allowance of members of the Public Employees' Noncontributory Retirement System with service prior to July 1, 1975.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2008.

Utah Code Sections Affected:

ENACTS:

49-11-702, Utah Code Annotated 1953

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

Section 1. Section **49-11-702** is enacted to read:

49-11-702. Additional retirement benefit -- Implementation rules.



28 (1) (a) The board shall provide an additional benefit to retirees under Title 49, Chapter
29 12, Public Employees' Contributory Retirement Act, and Chapter 13, Public Employees'
30 Noncontributory Retirement Act, whose retirement allowance, when calculated, amounts to
31 less than the allowance provided by using at least 2% per year of service factor for all years of
32 service rendered.

33 (b) The benefit provided in Subsection (1)(a) shall be calculated by the board using a
34 formula based upon actuarial assumptions and principles that results in a benefit that is as close
35 as reasonably possible to 2% per year of service for each retiree for all years of service
36 rendered.

37 (2) After consultation with representatives of those retirees under Title 49, Chapters 12
38 and 13, the board shall adopt rules governing the distribution of any additional retirement
39 benefit under this section.

40 ~~H→ [(3) The additional benefit provided in Subsection (1) shall be funded by an increase in~~
41 ~~the certified contribution rates under Sections 49-12-301 and 49-13-301.] ←H~~

42 Section 2. **Effective date.**

43 This bill takes effect on July 1, 2008.

Legislative Review Note
as of 12-4-07 12:40 PM

Office of Legislative Research and General Counsel

H.B. 145 - Additional State Retirement Benefit

Fiscal Note

2008 General Session
State of Utah

State Impact

Enactment of this bill will cause retirement contribution rates to increase 0.15 percentage points for all current employees covered by the contributory and noncontributory retirement plans. This will require an appropriation of approximately \$1.2 million distributed among all state agencies and higher education.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$614,500	\$614,500	\$0	\$0	\$0
Uniform School Fund	\$0	\$56,700	\$56,700	\$0	\$0	\$0
Transportation Fund	\$0	\$90,900	\$90,900	\$0	\$0	\$0
Federal Funds	\$0	\$239,600	\$239,600	\$0	\$0	\$0
Dedicated Credits	\$0	\$127,000	\$127,000	\$0	\$0	\$0
Restricted Funds	\$0	\$101,100	\$101,100	\$0	\$0	\$0
Transfers	\$0	\$44,300	\$44,300	\$0	\$0	\$0
Total	\$0	\$1,274,100	\$1,274,100	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses. Enactment of this bill will affect local governments, whose retirement rates would increase by 0.06 percentage points funded from local revenues. Local Education Agencies will also be affected whose retirements rates would increase by 0.15 percentage points. Some public sector retirees may receive higher retirement allowances.