

**FIREFIGHTER RETIREMENT AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Bradley G. Last**

Senate Sponsor: Jerry W. Stevenson

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**LONG TITLE**

**General Description:**

This bill modifies the Utah State Retirement and Insurance Benefit Act by enacting provisions relating to firefighter retirement funding.

**Highlighted Provisions:**

This bill:

- ▶ provides definitions; and
- ▶ requires the Utah State Retirement Office to determine and report certain information about state funding of the Firefighters' Retirement System to the governor and Legislature.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

ENACTS:

**49-11-903**, Utah Code Annotated 1953

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

Section 1. Section **49-11-903** is enacted to read:

**49-11-903. State appropriation funding offset -- Proportionate share determination and reporting.**

(1) As used in this section:

- 30           (a) "Baseline period" means calendar years 2013, 2014, and 2015.
- 31           (b) "Premium tax receipts" means the money received by the office under Subsection  
32 49-11-901.5(1) and paid in accordance with Subsections 49-11-901.5(2)(a) and (b).
- 33           (c) "State appropriation" means the ongoing state appropriation from the General Fund  
34 to the Firefighters Retirement Trust and Agency Fund that offsets the gross expense of the  
35 Firefighters' Retirement System.
- 36           (2) The office shall make a determination for the Firefighters' Retirement System, as  
37 recommended by the actuary and adopted by the executive director, as follows:
- 38           (a) determine for the baseline period:
- 39           (i) the average annual dollar amount of premium tax receipts;
- 40           (ii) the average annual dollar amount of total employer contributions; and
- 41           (iii) the proportionate share of total dollar employer contributions funded by premium  
42 tax receipts for the baseline period, which is calculated as the average annual dollar amount of  
43 premium tax receipts divided by the average annual dollar amount of total employer  
44 contributions;
- 45           (b) determine for each calendar year, beginning after calendar year 2020, the  
46 proportionate share of total dollar employer contributions funded by the state appropriation,  
47 which is calculated as the dollar amount of the state appropriation divided by the total dollar  
48 employer contributions; and
- 49           (c) if the proportionate share for the year exceeds the proportionate share for the  
50 baseline period under Subsection (2)(a)(iii), recommend the actuarially determined dollar  
51 amount, if any, that the state appropriation may be reduced by in the future to maintain an  
52 equivalent proportionate share that is not expected to exceed the proportionate share for the  
53 baseline period.
- 54           (3) (a) If the determination under Subsection (2)(c) results in recommending a  
55 reduction to the state appropriation, the office shall report the dollar amount of the  
56 recommended reduction to the governor and Legislature, which may be included in the annual  
57 report on contribution rates required under Subsection 49-11-203(1)(h).

58           (b) If the Legislature reduces the state appropriation, the board's subsequent certified  
59 contribution rates for the Firefighters' Retirement System shall include any additional member  
60 or employer contributions required to maintain the system on a financially and actuarially  
61 sound basis due to the reduced funding offset dollars.

62           (4) As required to implement this section, the office may make the determinations  
63 using actuarial assumptions and methods adopted by the board.

64           Section 2. **Effective date.**

65           This bill takes effect on July 1, 2019.