

THE Inside STORY

A Utah Retirement Systems Newsletter for Employers

Annual URS Employer Event

Still Time to Register

Gov. Herbert will speak at this year's event on March 16

We look forward to seeing you at the URS Employer Event on March 16 at the Little America Hotel in Salt Lake City.

Employer Event

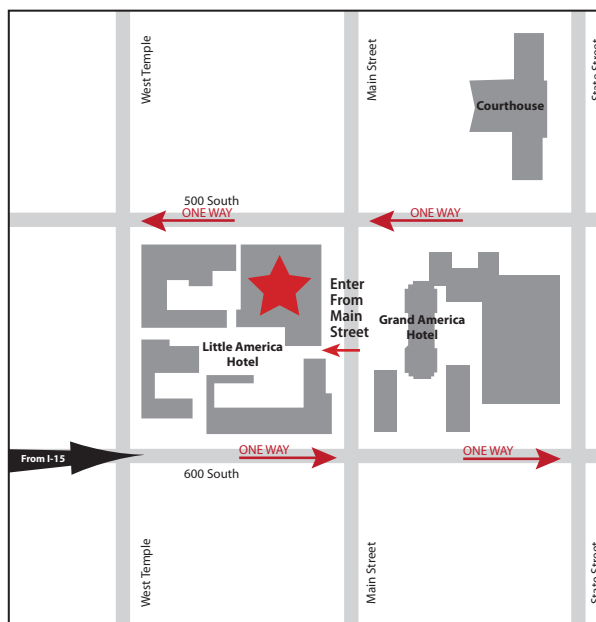
Thursday, March 16

- » Little America Hotel, Salt Lake City
- » Continental breakfast begins at 8 a.m.
- » Speakers scheduled for 9 a.m. to 1:30 p.m.
- » Register [here](#).

It's a packed agenda covering the latest topics in retirement and healthcare. Gov. Gary Herbert will speak. We'll also feature an economic update and panel discussion on

the new URS phased retirement.

Speakers are scheduled for 9 a.m. to 1:30 p.m., with a continental breakfast at 8 a.m. Lunch will also be provided. If you can't make it, we'll be livestreaming the event on Facebook. Like the [URS Facebook page](#) to find it. It's not too late to [register](#). We hope you can make it! ■



In This Issue...

- » **Report From the Hill:** Summary of noteworthy retirement bills from the 2017 legislative session. [Page 4](#)
- » **Comprehensive Employer Trainings:** See schedule for 2017. [Page 2](#)
- » **Compliance Reviews:** What to expect in your Round 3 compliance review. [Page 2](#)

URS Website » Have you seen the new look and functionality at www.urs.org?

URS Comprehensive Employer Trainings

Statewide Trainings Begin April 24

URS staff hits the road starting April 24, 2017, to bring training close to you. For your convenience, this year’s training will have a new format.

This year we will start at 9 a.m. and will go right into “Hot Topics” and “New Legislation.” Some topics that will be covered in the first section include new details about phased retirement and the Statute of Limitations. We’ll also cover non-merit protected employees and new rules for terminating employees, just to name a few.

Once we complete the “Hot Topics” section, we will have a break and

will then finish with a basic review of retirement laws significant to each employer.

The basic review will cover topics such as eligibility, post-retired, elected and appointed, and contribution reporting.

Good news – if you’re a seasoned employer and feel you don’t need a review, you are welcome to head back to the office after the first section.

Registration won’t be available until March 17, 2017. Go to the [employer section of the URS website](#) on or after March 17, 2017, to register. ■

DATE	CITY	LOCATION
April 24 (Monday)	Salt Lake City	Salt Lake County Bldg
April 25 (Tuesday)	St. George	Dixie State University Taylor Health Sciences Bldg
April 26 (Wednesday)	Richfield	Sevier School District
April 27 (Thursday)	Moab	Grand Center
May 1 (Monday)	Sandy	Sandy City Hall
May 2 (Tuesday)	Heber City	Wasatch County School District
May 3 (Wednesday)	Vernal	Council on Aging Golden Age Center
May 4 (Thursday)	Price	USUE Jennifer Leavitt Student Bldg
May 5 (Friday)	Provo	Utah County Health & Justice Building
May 8 (Monday)	Salt Lake City	Salt Lake County Bldg
May 9 (Tuesday)	Logan	Bridgerland ATC
May 10 (Wednesday)	Ogden	Weber County Admin Bldg

URS Compliance Reviews

Expect New Testing for Round 3

The URS Compliance team has wrapped up Round 2 and has begun work on the Round 3 compliance review. Each time we start a new round of reviews (every three years), we add new testing.

Here's what you can expect in your Round 3 compliance review:

1. Exempt Positions

Your office is required to establish and maintain a list of all positions eligible to exempt. This list should include administrative positions that do not receive merit protection.

During Round 3, we will be asking for this list ([Utah Code Ann. § 49-12-203 \(5\)\(a\)](#)).

2. Phased Retirement

Phased retirement became effective on January 1, 2017. The compliance auditors will test all aspects of the phased retirement plan, regarding employee and employer responsibilities ([Utah Code Ann. § 49-11-1301](#)).

3. PEHP Long Term Disability Employers

For those who participate in the PEHP Long Term Disability, the compliance auditors will now be testing premiums. Those who choose to participate in PEHP LTD benefits are required to pay premiums on all

eligible employees including those who exempt. The group of employees who should be excluded would be post-retired, ineligible, and all fire fighters. You should be determining the eligible count for each reporting period and reporting premium amounts correctly.

The compliance auditors will be looking at eligible counts and premium amounts to verify that payments are being calculated and submitted properly ([Utah Code Ann. § 49-21-101](#)).

4. Independent Contractors

All retirees who return to work (post-retired) are bound by specific state laws...

([Utah Code Ann. § 49-11-1201](#)).

Post-retired reemployment includes work performed on a contract for a participating employer if the retiree is: (i) Listed as a contractor, or is (ii) An owner, partner, or principal of the contractor ([Utah Code Ann. § 49-11-1202 \(3\)\(b\)](#)).

As an extension to post-retired testing, the compliance auditors are now requesting a list of all independent contractors/1099 employees. With this list, testing is being conducted to confirm the post-retired status of these employees. ■

Report From the Hill

Three New Laws Impact Retirement

Though the 2017 legislative session was relatively quiet along the retirement front, Utah's Senate passed some noteworthy bills. The following is a summary of those noteworthy bills:

1. [Senate Bill 19, Retirement System Payments to Survivors Amendments](#), provides that the divorce or annulment of a member's marriage revokes any beneficiary designation naming the divorced member's former spouse. This bill takes effect on July 1, 2017.
2. [Senate Bill 20, Phased Retirement Amendments](#), modified the application procedures for a phased retirement agreement and modified provisions regarding the beginning and termination periods for phased retirement employment. This bill has already been signed by the governor and is effective immediately.
3. [Senate Bill 21, Retirement System Amendments](#), added reemployment as a judge, as defined under [Section 78A-11-102](#), to the postretirement reemployment restriction exceptions under [Utah Code Ann. § 49-11-1205](#), among other minor modifications and technical changes. This bill takes effect on July 1, 2017.

Questions? Contact Matthew Judd, Records Management Director, at 801-366-7386, or James Hammer, Records Control Manager, at 801-366-7786. ■

Reminder for Elected and Appointed Officials

Elected and Appointed Officials' Minimum Earnings Requirements

Tier 1 Public Employees' Noncontributory and Contributory Retirement Systems » Each month during the term of office elected or appointed officials must earn \$500 or more indexed as of July 1, 1990, as provided in Utah Code Ann. §§ [49-12-407](#) and [49-13-407](#), to be eligible for retirement coverage. The minimum earnings requirements increase each year based on the consumer price index. As of February

1, 2016, through January 31, 2017, the minimum earnings requirements is \$1,018.00 per month.

Tier 2 Contributory Retirement System » Beginning July 1, 2011, a person initially entering full-time employment shall participate in the Tier 2 system. An elected or appointed official's position must be certified as full-time by the participating employer in order to qualify for retirement coverage.

Questions? Call URS at 801-366-7318 or 800-753-7318. ■

Contribution Reporting

A Reminder for School Districts

On Feb. 12, 2017, URS sent an email and [video](#) explaining possible needed changes regarding the contribution reporting process for school districts.

A few things to remember as you submit contribution files to our office:

Always use the correct contract period for each individual employee.

The contract period is the number of contribution files you will be submitting for the employee each year. Contract periods are provided to our office on your contribution file.

Example: If you report files to our office monthly and you have a 9-month contracted employee, the contract period for this employee is "9".

Employee contributions must start on the period end date following the beginning of eligibility.

Examples: The beginning of the school year usually has contract employees starting in mid-August. If reporting monthly, they should be included on the September 30 file.

Comparatively, an employee hired on January 17 should appear on the January 31 file.

» Always report current earnings in the period for which they are being earned.

Summer month earnings and contract payouts at the end of the year should never be reported lumped together on one file.

What are the consequences for not reporting to our office correctly?

» Your employees lose service credits toward retirement.

» Tier 2 employees do not become vested in the correct period.

For additional information regarding correct contribution reporting, please join us for the 2017 Comprehensive Employer Training, where we will cover this topic in more detail (see [Page 2](#) for the schedule and how to register)

You can also view [this short video](#) that explains this contribution reporting process in more detail. ■

URS website gets a face-lift and new functionality

[The URS website](#) received a new look and feel on Wednesday, March 8. The new site has many of the same features, with additional functionality to better serve members and employers. For example, it's programmed with responsive design,

so pages readjust to fit the size of your screen (e.g., desktop, tablet, phone, etc.).

Have feedback? Click the Feedback/Contact button inside the Employers Landing page. ■

Federal Compensation Limits for 2017

Federal rules in accordance with the Omnibus Budget Reconciliation Act (OBRA) prevent URS from accepting contributions on earned salary which exceeds certain limits. One limit applies to members of URS before January 1, 1994, and the other applies to members of URS after January 1, 1994. Compensation limits since 2014 are listed below:

	Members after January 1, 1994	Members before January 1, 1994
2015	\$265,000	\$395,000
2016	\$265,000	\$395,000
2017	\$270,000	\$400,000

Contributions based on salaries reported to URS above these limits will be refunded annually to the employer.

Have feedback? Click the Feedback/Contact button inside the Employers Landing page. ■