



Board Actions and Resolutions 2020

Board Actions and Resolutions

2020

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**Action 2020-01 URS Staff Employees Retiree Health Care Plan (“OPEB”)
Actuarial Valuation Report
January 9, 2020**

The Board voted to approve the Actuarial Assumptions contained in the “OPEB” Actuarial Valuation Report as of January 1, 2019 and continue the \$0 contribution rate for the URS Staff Employees Retiree Health Care Plan as discussed.

**Action 2020-02 Board Governance Policies Revision
January 9, 2020**

The Board voted to approve Section 4 of the Board Governance Policies as presented.

**Action 2020-03 Stipulated Order of Voluntary Dismissal 19-19R
January 9, 2020**

The Board voted to approve the Stipulated Order of Voluntary Dismissal 19-19R as submitted by the Adjudicative Hearing Officer.

**Action 2020-04 Stipulated Order of Voluntary Dismissal 19-34H
January 9, 2020**

The Board voted to approve the Stipulated Order of Voluntary Dismissal 19-34H as submitted by the Adjudicative Hearing Officer.

**Action 2020-05 Findings of Fact, Conclusions of Law and Order on
Petitioner’s Request for Board Action 19-03R
January 9, 2020**

The Board voted to approve the Findings of Fact, Conclusions of Law, and Order on Petitioner’s Request for Board Action 19-03R as submitted by the Adjudicative Hearing Officer.

**Action 2020-06 New Employer – Cache Water District
February 13, 2020**

The Board voted to approve Cache Water District as a participating employer in the Public Employees’ Retirement System.

**Action 2020-07 Order to Dismiss 17-09D
February 13, 2020**

The Board voted to approve the Order to Dismiss 17-09D as submitted by the Adjudicative Hearing Officer.

**Action 2020-08 Order to Dismiss 14-26D
February 13, 2020**

The Board voted to approve the Order to Dismiss 14-26D as submitted by the Adjudicative Hearing Officer.

**Action 2020-09 Order to Dismiss 19-26H
February 13, 2020**

The Board voted to approve the Order to Dismiss 19-26H as submitted by the Adjudicative Hearing Officer.

**Action 2020-10 Four Year Internal Audit Plan Approval
February 20, 2020**

The Board voted to approve the Internal Audit Four Year Plan as discussed in the February 18, 2020, Audit/Risk/Insurance Committee Meeting.

**Action 2020-11 Approval of Defined Contribution Target Date Funds and Non-vested Fund Asset
March 12, 2020**

The Board voted to approve the proposed changes to the Target Date Funds' asset allocation as presented on page 90 of the February 20, 2020 Investment Board Book.

**Action 2020-12 Approval of Defined Contribution Target Date Funds and Non-vested Fund Asset
March 12, 2020**

The Board voted to approve the proposed asset allocation for the Unvested Fund as presented on page 111 of the February 20, 2020 Investment Board Book.

**Action 2020-13 Contribution Rates Approval
March 12, 2020**

The Board voted to give final approval of the Contribution Rates for 2020-2021 fiscal year as presented.

**Action 2020-14 Board Governance Policies Approval, Section 5
March 12, 2020**

The Board voted to approve the Board Governance Policies Section 5 with the addition to section 5.9 Internal Auditor, paragraph 1.

**Action 2020-15 Board Resolution and Amendments
March 12, 2020**

The Board voted to approve Board Resolution 2020-01 Temporary Benefits for Emergency Health Concerns.

**Action 2020-16 Board Resolution and Amendments
March 12, 2020**

The Board voted to approve the Board Resolution 2004-09 Access to Data as amended.

**Action 2020-17 Board Resolution and Amendments
March 12, 2020**

The Board voted to approve Board Resolution 2019-04 Rules Regarding Employee Retirement Participation Elections as amended.

**Action 2020-18 Stipulated Order of Voluntary Dismissal 19-37H
March 12, 2020**

The Board voted to approve the Stipulated Order of Voluntary Dismissal 19-37H as submitted by the Adjudicative Hearing Officer.

**Action 2020-19 Stipulated Order of Dismissal 20-05H
March 12, 2020**

The Board voted to approve the Stipulated Order of Dismissal 20-05H as submitted by the Adjudicative Hearing Officer.

**Action 2020-20 Proposed Variance to the Fixed Income Allocation
March 19, 2020**

The Board voted to approve the recommended variance to the Fixed Income asset

allocation within the DB Plan as presented. This variance allows the Fixed Income allocation (not including cash) to go below 14% of DB Plan assets. Total cash and fixed income can be no less than 8% of plan assets.

**Action 2020-21 Approval of Board Resolution 2020-02 Temporary Suspension of Certain Post-Retirement Reemployment Restrictions to Executive Order via electronic vote
March 27, 2020**

The Board voted to approve **RESOLUTION #2020-02 TEMPORARY SUSPENSION OF CERTAIN POST-RETIREMENT REEMPLOYMENT RESTRICTIONS PURSUANT TO EXECUTIVE ORDER** as sent electronically to the Board members, with this approval subject to: 1) Governor Herbert issuing the underlying Executive Order 2020-9; and 2) if needed, staff correcting internal references in the Resolution to the Executive Order number or its effective date to reflect the final issued Executive Order.

**Action 2020-22 New Employer – Central Valley Town
April 9, 2020**

The Board voted to approve Central Valley Town as a participating employer in the Public Employees' Retirement System.

**Action 2020-23 PEHP Renewals and PEHP State Refund
April 9, 2020**

The Board voted to approve the following PEHP rate renewals, effective July 1, 2020, with the understanding that the final aggregate rate for LGRP July may be different due to agency migration or rate adjustments arising from the renewal process.

- State of Utah Medical/Rx 4.7% increase
- Salt Lake City Medical/Rx 4.5% increase
- LGRP July Medical/Rx 3.8% increase
- State of Utah Dental 0.0% rate hold
- Salt Lake City Dental (3.0)% decrease
- LGRP July Dental 1.1% increase

**Action 2020-24 PEHP Renewals and PEHP State Refund
April 9, 2020**

The Board voted to approve the PEHP State medical refund of approximately \$30.5M to State employers and employees.

**Action 2020-25 PEHP Renewals and PEHP State Refund
April 9, 2020**

The Board voted to approve the medical and dental premium holidays for Salt Lake City as discussed.

**Action 2020-26 Federal Legislation Affecting Defined Contribution Savings
Plans
April 9, 2020**

The Board voted that the Utah State Retirement Board officially adopt the following optional plan changes for the Defined Contribution Savings Plans to be administered in accordance with the terms and conditions provided in the document titled, "Federal Legislation Affecting Defined Contribution Savings Plans":

1. an in-service withdrawal of up to \$5,000 for a qualified birth or adoption of a child on or after January 1, 2020;
2. an in-service "coronavirus-related distribution" for qualified participants of up to \$100,000 from the Savings Plans in 2020; and
3. limiting coronavirus or birth or adoption related distributions from the 401(k) to only be allowed from elective deferrals.

And further moved to direct Staff to implement and administer the plan changes immediately and provide the Board with associated plan document amendments for approval by the end of the current plan year.

**Action 2020-27 Stipulated Order of Voluntary Dismissal 20-04R
April 9, 2020**

The Board voted to approve the Stipulated Order of Voluntary Dismissal 20-04R as submitted by the Adjudicative Hearing Officer.

**Action 2020-28 Stipulated Order of Voluntary Dismissal 19-40H
April 9, 2020**

The Board voted to approve the Stipulated Order of Voluntary Dismissal 19-40H as submitted by the Adjudicative Hearing Officer.

**Action 2020-29 Approve DC IPS Updates for Target Date Funds and Non-
Vested Fund and the Delayed Implementation Date
April 16, 2020**

The Board voted that the Utah State Retirement Board approve the Defined Contribution IPS Updates in order to implement the previously approved changes to the Target Date Funds asset allocation (glide path) and the Tier 2 Nonvested Fund, as previously reviewed in the February 20, 2020 Investment Board Meeting and approved in the March 12, 2020 Administrative Board Meeting. The changes to the Target Date Funds and Tier 2 Nonvested Fund will be made during December 2020, to be effective as of January 1, 2021.

Further move to direct Staff and Callan to review and analyze whether current market events and market outlooks should result in changes to the allocations for the Target Date Funds recently adopted by the Board. Staff shall bring a recommendation on final asset allocations for the Target Date Funds to the Investment Committee and, after approval by the Committee, to the Board for final approval prior to changes being implemented in December 2020.

**Action 2020-30 Higher Education Risk Pools
May 14, 2020**

Referring to page 20 of the Board Book, the Board voted to approve that the Bridgerland Technical College shall be reassigned to the Higher Education Division, Funds 17 and 18, for their employees who are members of the Public Employees' Retirement Systems, beginning on and after January 1, 2020.

Also moved that staff and the consulting actuary are directed to ensure that employees of the Bridgerland Technical College will continue to earn benefits in the Public Employees' Retirement Systems, but their liability, assets, contributions, and benefit payments will be moved to and separately tracked in the Higher Education risk pools.

Finally, moved that staff communicate with the Bridgerland Technical College to ensure as smooth of a transition as possible into its new risk pools.

**Action 2020-31 Savings Plans – Coronavirus Related Loan Relief
May 14, 2020**

Referring to page 25 of the Board Book, the Board voted that the Utah State Retirement Board officially adopt the proposed optional plan changes for the Defined Contribution Savings Plans to be administered in accordance with the terms and conditions provided in the document titled, "Savings Plans – Coronavirus Related Loan Relief."

And further moved to direct Staff to implement and administer the plan changes immediately and provide the Board with associated plan document amendments for approval by the end of the current plan year.

**Action 2020-32 URS/PEHP Employee Medical/Rx and Dental Insurance Budget
2020-2021
May 14, 2020**

The Board voted to increase the budget for the URS/PEHP Employee Medical/Rx insurance premiums by 4.53% for the fiscal year July 1, 2020 to June 30, 2021.

**Action 2020-33 Private Equity Strategic Plan Revision Approval
May 21, 2020**

The Board voted to approve the changes to the Private Equity Strategic Plan as presented.

**Action 2020-34 Refund of Excess Reserves in State Risk Pool and LTD Risk
Pool
June 25, 2020**

The Board voted to return PEHP excess reserves in proportion to share as follows:

- 1) \$5,241,000 to participating employers from the LTD Risk Pool;
- 2) \$8,713,735 to participating employers from the State Medical Risk Pool; and
- 3) \$28.97 for each eligible employee in the State Medical Risk Pool.

**Action 2020-35 New Employer – Elwood City
August 13, 2020**

The Board voted to approve Elwood City as a participating employer in the Public Employees' Retirement System.

**Action 2020-36 New Employer – Summit County Service Area #3 Special
Service District
August 13, 2020**

The Board voted to approve Summit County Service Area #3 Special Service District as a participating employer in the Public Employees' Retirement System.

**Action 2020-37 Board Resolution #2020-03 Tier 2 Public Safety and Firefighter
Member Contributions During the First Year of Employment
August 13, 2020**

The Board voted to approve the Board Resolution #2020-03 Tier 2 Public Safety and Firefighter Member Contributions During the First Year of Employment.

**Action 2020-38 PEHP Rate Renewals
August 13, 2020**

The Board voted to ratify the following PEHP Renewals, effective September 1, 2020:

- Jordan School District – Medical/Rx 0.0% rate hold
- Salt Lake City School District – Medical/Rx 0.0% rate hold
- USBA – Medical/Rx -3.0% decrease

**Action 2020-39 Employee Compensation Package
August 13, 2020**

The Board voted to approve the 2020-2021 Employee Compensation Package of 0% COLA and 0% Merit.

**Action 2020-40 GRS Actuarial Valuation and Experience Study
August 13, 2020**

The Board voted to accept the actuarial assumptions as contained in the Utah Retirement Systems Actuarial Valuation Report as of January 1, 2020.

**Action 2020-41 Approval of FY 2021-2022 Preliminary Contribution Rates
August 13, 2020**

The Board voted to approve the proposed preliminary contribution rates for the 2021-2022 fiscal year as contained in Utah Retirement Systems Actuarial Valuation Report as of January 1, 2020, and found on pages 71-73 of the Board Book, subject to legislation in the 2021 General Session.

**Action 2020-42 Stipulated Order of Voluntary Dismissal 19-38H
August 13, 2020**

The Board voted to approve the Stipulated Order of Voluntary Dismissal 19-38H as submitted by the Adjudicative Hearing Officer.

**Action 2020-43 Internal Audit Department Charter / Policies and Procedures Approval
August 20, 2020**

The Board voted to approve the Internal Audit Department Charter / Policies and Procedures changes as discussed in the August 18, 2020, Audit/Risk/Insurance Committee Meeting.

**Action 2020-44 Target Date Funds Update
October 1, 2020**

The Board voted to reaffirm the Board's approval of the changes to the DC Target Date Funds asset allocation at the March 12, 2020, Administrative Board Meeting.

**Action 2020-45 URS / PEHP Annual Budget Report
October 2, 2020**

The Board voted to approve the 2019-2020 final actual fiscal year ended expenditures as presented.

**Action 2020-46 URS / PEHP Annual Budget Report
October 2, 2020**

The Board voted to approve the 2020-2021 budget as presented.

**Action 2020-47 URS / PEHP Annual Budget Report
October 2, 2020**

The Board voted to approve the 2021-2022 preliminary budget as presented.

**Action 2020-48 URS / PEHP Annual Budget Report
October 2, 2020**

The Board voted to approve the 2022-2023 preliminary budget as presented.

**Action 2020-49 URS / PEHP Annual Budget Report
October 2, 2020**

The Board voted to approve the 2019-2020 final actual fiscal year ended capital expenditures as presented.

**Action 2020-50 URS / PEHP Annual Budget Report
October 2, 2020**

The Board voted to approve the 2020-2021 capital projects budget as presented.

**Action 2020-51 URS / PEHP Annual Budget Report
October 2, 2020**

The Board voted to approve the preliminary 2021-2022 capital projects budget as presented.

**Action 2020-52 URS / PEHP Annual Budget Report
October 2, 2020**

The Board voted to approve the 2022-2023 preliminary capital projects budget as presented.

**Action 2020-53 PEHP Rate Renewals
October 22, 2020**

The Board voted to approve the LGRP January PEHP Renewals, effective January 1, 2021, with the understanding that the final aggregate rate may be different based on group migration or rate adjustments arising from the renewal process:

- LGRP January – Medical/Rx 5.6% increase
- LGRP January – Dental 1.1% increase

**Action 2020-54 PEHP Rate Renewals
October 22, 2020**

The Board voted to approve the Medicare PEHP Renewals, effective January 1, 2021:

- Medicare – Supplement 2.9% increase
- Medicare – Part D 3.5% decrease
- Medicare – Dental 1.7% increase

**Action 2020-55 PEHP Admin Cost Discussion
November 12, 2020**

The Board voted to adopt an increase in PEHP's Administrative Rate for all product lines starting with July 1, 2021 Renewals as set forth in the Administrative Rate Sheet

provided in the Board Meeting materials and based on a \$.35 per-member-per-month increase to the State Medical Risk Pool.

**Action 2020-56 DC IPS – Update to Appendix B-6
November 19, 2020**

The Board voted to approve the proposed changes to the Defined Contribution IPS Appendix B-6 as presented.

**Action 2020-57 Private Equity Variance Request
November 19, 2020**

The Board voted to approve the variance request allowing Private Equity to exceed the 20% industry concentration limit and 50% single investment strategy exposure limit.

**Action 2020-58 New Employer – Tremonton City Firefighters' Fund
December 10, 2020**

The Board voted to approve Tremonton City as a participating employer in the Firefighters' Retirement System.

**Action 2020-59 New Employer – TriCounty Health Department
December 10, 2020**

The Board voted to approve TriCounty Health Department as a participating employer in the Public Employees' Retirement System.

**Action 2020-60 PEHP Rate Renewals
December 10, 2020**

The Board voted to ratify the Canyons School District and Salt Lake County PEHP Rate Renewals of 0% rate hold for Medical/Rx, effective January 1, 2021.

**Action 2020-61 Stipulated Order of Voluntary Dismissal 2016-05H
December 10, 2020**

The Board voted to approve the Stipulated Order of Voluntary Dismissal 2016-05H as submitted by the Adjudicative Hearing Officer.

**Action 2020-62 Order of Summary Judgment 19-30R
December 10, 2020**

The Board voted to approve the Order of Summary Judgment 19-30R as submitted by the Adjudicative Hearing Officer.

**Action 2020-63 DC Savings Plans – Plan Documents Update
December 10, 2020**

The Board voted to approve the changes to the 401(k) Plan Document and the 457 Plan Document as presented.

RESOLUTION #2020-01 TEMPORARY BENEFIT FOR EMERGENCY HEALTH CONCERNS

March 12, 2020

WHEREAS, pursuant to Utah Code Annotated § 49-11-203(k), the Board has the authority to “develop broad policy for the long-term operation of the various retirement systems, plans, and programs under broad discretion and power to perform the board’s policymaking functions, including the specific authority to interpret and define any provision or term under this title when the board or office provides written documentation which demonstrates that the interpretation or definition promotes uniformity in the administration of the systems or maintains the actuarial soundness of the systems, plans, or programs [;]” and

WHEREAS, both Utah Code Annotated §§ 49-12-102, and 49-13-102 define “Regular full-time employee” in part as “an employee . . . whose employment normally requires an average of 20 hours or more per week, except as modified by the board, and who receives benefits normally provided by the participating employer[;]” and

WHEREAS, the term “benefits normally provided” is defined by the Utah Code § 49-12-102(1); and

WHEREAS, Utah Governor Gary R. Herbert issued an executive order declaring a state of emergency in response to the evolving outbreak of Coronavirus 2019 (COVID 19); and

WHEREAS, the Board recognizes that participating employers may institute emergency plans to continue essential business functions in light of COVID 19; and

WHEREAS, participating employer’s emergency plans may provide benefits not normally provided in light of COVID 19; and

WHEREAS, the definition of “benefits normally provided” does not address benefits instituted on a temporary basis to address a national health care concern; and

WHEREAS, the Board desires to have a uniform rule governing the definition of “benefits normally provided” in light of COVID 2019 and in an effort to treat members fairly and make administration of the systems more efficient.

NOW, THEREFORE, BE IT RESOLVED that an employee who receives a temporary benefit due to an emergency plan adopted to address COVID 19 is not considered to receive “benefits normally provided,” as it is used in the definition of “regular full-time employee” for purposes of eligibility in the Public Employees’ Contributory System created under Chapter 12 of Title 49, the Public Employees’ Non-Contributory System created under Chapter 13 of Title 49 and the Public Employees’ Tier II Contributory System created under Chapter 22 of Title 49.

This resolution shall be effective March 12, 2020.

RESOLUTION #2020-02 TEMPORARY SUSPENSION OF CERTAIN POST-RETIREMENT REEMPLOYMENT RESTRICTIONS PURSUANT TO EXECUTIVE ORDER

March 30, 2020

WHEREAS, on March 6, 2020, Governor Gary R. Herbert issued Executive Order 2020-1, declaring a state of emergency due to coronavirus disease 2019 (COVID-19);

WHEREAS, on March 30, 2020, Governor Gary R. Herbert issued Executive Order 2020-9 ordering, to a limited degree, the temporary suspension of specific provisions of the Utah Postretirement Reemployment Restrictions Act in order to provide state and local entities with the ability to meet staffing needs sufficient to address the impacts of COVID-19, consistent with applicable federal law;

WHEREAS, Executive Order 2020-9 establishes the following “Critical Government Functions” that enable state and local officials to protect their communities, ensure continuity of functions essential to public health and safety, and are needed for Response and recovery during the state of emergency:

- communications;
- emergency services and first responders;
- energy;
- financial services;
- food and agriculture;

- government facilities;
- healthcare and public health facilities;
- information technology;
- transportation systems; and
- water and wastewater systems;

WHEREAS, under Utah Code Annotated § 49-11-203(1)(c) the Utah State Retirement Board (Board) “shall ensure that the systems, plans, programs, and funds are administered according to law,” including Executive Order 2020-9;

WHEREAS, pursuant to Utah Code Annotated § 49-11-203(1)(k), the Board shall “develop broad policy for the long-term operation of the various systems, plans, and programs under broad discretion and power to perform the board’s policymaking functions, including the specific authority to interpret and define any provision or term under this title [Utah Code Annotated Title 49] when the board or office provides written documentation which demonstrates that the interpretation or definition promotes uniformity in the administration of the systems or maintains the actuarial soundness of the systems, plans, or programs.”;

WHEREAS, Utah Code Annotated § 49-11-203(1)(n) provides that the Board shall act “consistent with this title [Utah Code Ann. Title 49] for the administration of the systems, plans, and programs in order to carry out the purposes of this title [Utah Code Ann. Title 49].”;

WHEREAS, the Board has broad rule-making authority with regard to Postretirement reemployment restrictions pursuant to Utah Code Annotated § 49-11-1208;

WHEREAS, the Board desires to have uniform rules governing the temporary adjustments to postretirement reemployment restrictions in light of Executive Order 2020-9 and in an effort to treat members fairly and make administration of the systems more efficient.

NOW, THEREFORE, BE IT RESOLVED, that the following temporary rules apply to eligible retirees and participating employers of URS defined benefit plans, consistent with applicable federal law:

1. These temporary rules only apply to reemployment of a retiree who:
 - a. retired prior to March 30, 2020; and
 - b. becomes temporarily reemployed by a URS participating employer to ensure adequate staffing of Critical Government Functions during the governor’s declared state of emergency.

2. The following provisions will not be enforced by URS for qualifying reemployment:
 - a. Cancellation of a retirement allowance for a reemployed retiree without a one-year break in service pursuant to Utah Code Annotated § 49-11-1204(2);
 - b. A participating employer's payment of the amortization rate to URS for the reemployment pursuant to Utah Code § 49-11-1204(4)(b);
 - c. The requirement for a participating employer to immediately notify URS of retiree reemployment pursuant to Utah Code Annotated § 49-11-1206(1)(b);
 - d. The requirement for a retiree to immediately notify URS of reemployment pursuant to Utah Code Annotated § 49-11-1206(3); and
 - e. The penalties enforceable against retirees and participating employers pursuant to Utah Code Annotated § 49-11-1207(1).
3. Notwithstanding the rules described above in paragraph 2, the temporary reemployment exception under the Executive Order and this Resolution is available only for a member who continues to receive a monthly retirement allowance if:
 - a. At the time of reemployment, the retiree is at least:
 - i. 50 years old, if the member retired from a public safety system or firefighter retirement system; or
 - ii. 55 years old; and
 - b. At the time of retirement, the retiree, in accordance with the provisions and definitions in Board Resolution #2019-05, Termination of Employment and Reemployment:
 - i. Had a "bona fide termination" of all employment and contractual fee-for-services relationships with any participating employer; and
 - ii. Did not have any prearrangement anticipating a post-retirement employment or fee-for-services relationship with any participating employer.
4. If a retiree does not qualify for the temporary reemployment exception under these rules, the retiree may be reemployed by a participating employer and the retirement allowance will be cancelled pursuant to Utah Code Annotated § 49-11-1204. Payment of the retirement allowance for such a retiree will resume following termination of the reemployment pursuant to Utah Code Annotated § 49-11-1204.

5. A participating employer shall report the temporary reemployment of a qualifying retiree pursuant to the Executive Order and this Resolution to URS as soon as possible and practical. By employing a qualifying retiree, a participating employer shall be deemed to have certified to URS (which must be officially confirmed in its eventual notification of the reemployment to URS) that:
 - a. The participating employer performs Critical Government Functions;
 - b. The retiree has been temporarily reemployed to ensure adequate staffing of Critical Government Functions during the governor's declared state of emergency;
 - c. The reemployed retiree retired prior to March 30, 2020; and
 - d. To the best of the participating employer's knowledge, the retiree, at the time of retirement:
 - i. Had a "bona fide termination" of all employment and contractual fee-for-services relationships with any participating employer; and
 - ii. Did not have any prearrangement anticipating a post-retirement employment or fee-for-services relationship with any participating employer.
6. Because of the exigent circumstances in which the hiring and onboarding of a qualifying retiree may need to be handled, such a retiree does not need to notify URS of this reemployment. However, by engaging in the reemployment work or service, the retiree shall be deemed to have certified to URS that:
 - a. The retiree has been temporarily reemployed to ensure adequate staffing of Critical Government Functions during the governor's declared state of emergency;
 - b. The reemployed retiree retired prior to March 30, 2020; and
 - c. The retiree, at the time of retirement:
 - i. Had a "bona fide termination" of all employment and contractual fee-for-services relationships with any participating employer; and
 - ii. Did not have any prearrangement anticipating a post-retirement employment or fee-for-services relationship with any participating employer.
7. A qualifying retiree temporarily reemployed under the Executive Order and this Resolution will continue to receive a monthly retirement allowance, but pursuant to Utah Code Annotated § 49-11-1204 for the period of reemployment, may not receive any retirement related contribution from a participating employer (such as employer 401(k) contributions) or earn additional service credit.
8. Under the direction of the Executive Director, URS shall make policies and procedures appropriate and necessary to implement and administer the

suspension of enforcement under the Executive Order and this Resolution.

9. This Resolution shall remain in effect until the date and time the emergency declared in Executive Order 2020-9 is terminated, or until otherwise modified, amended, rescinded, or superseded by the governor of the State of Utah or the Board.

This Resolution takes effect on March 30, 2020, subject to Executive Order 2020-9 being issued and taking effect.

URS shall notify participating employers about this Resolution as soon as possible.

RESOLUTION #2020-03 TIER 2 PUBLIC SAFETY AND FIREFIGHTER MEMBER CONTRIBUTIONS DURING THE FIRST YEAR OF EMPLOYMENT

August 13, 2020

WHEREAS, “A public safety service employee or firefighter service employee initially entering employment with a participating employer on or after July 1, 2011, shall: (i) make an election to participate . . .” in the Tier 2 Hybrid Retirement System or the Tier 2 Defined Contribution Plan. Utah Code Annotated § 49-23-201(2)(b).

WHEREAS, a public safety service employee or firefighter service employee shall make an election to participate in either the Tier 2 Hybrid Retirement System or the Tier 2 Defined Contribution Plan, which becomes irrevocable beginning one year from the date of eligibility for accrual of benefits. If the public safety service employee or the firefighter service employee does not make an affirmative election within the one-year period, the employee becomes a member of the Tier 2 Hybrid Retirement System. See Utah Code Annotated § 49-23-201(2)(c) and (d).

WHEREAS, “participating employers and members shall pay the certified contribution rates to the office to maintain the defined benefit portion of . . . [the Public Safety and Firefighter Tier 2 Hybrid Retirement System] on a financially and actuarially sound basis in accordance with . . . [Utah Code Annotated § 49-23-301(2)].” Utah Code Annotated § 49-23-301(1).

WHEREAS, 2019 S.B. 129 and 2020 S.B. 56, effective July 1, 2020: 1) increase the retirement allowance multiplier from 1.5% to 2.0% prospectively for service earned for the defined benefit of members of the Tier 2 Hybrid Retirement System; 2) increase the cap on participating employers’ contributions for the Tier 2 Hybrid Retirement System or the Tier 2 Defined Contribution Plan from 12% to up to 14% of covered payroll.

WHEREAS, a Tier 2 Hybrid Retirement System member shall pay to the office the amount, if any, of the certified contribution rate for the defined benefit portion of the

system that exceeds the percent of compensation paid by the participating employer. See Utah Code Annotated § 49-23-301(2)(b).

WHEREAS, the consulting actuary has projected the normal cost of the defined benefit component of the Tier 2 Hybrid Retirement System with the enhanced multiplier under 2019 S.B. 129 and 2020 S.B. 56 to exceed 14% of covered payroll, which will result in ongoing required employee contributions for members of this system.

WHEREAS, the Utah State Retirement Board (the “Board”) shall “develop broad policy for the long-term operation of the various systems, plans, and programs under broad discretion and power to perform the board’s policymaking functions . . .”. Utah Code Annotated § 49-11-203(1)(k).

WHEREAS, the Board finds it is necessary to provide rules for a public safety service employee or firefighter service employee regarding required member contributions received by the Office during the one-year election period.

NOW, THEREFORE, BE IT RESOLVED, that the following rules apply to members and participants of the New Public Safety and Firefighter Tier 2 Contributory Retirement System:

1. A public safety service employee or firefighter service employee shall make required member contributions to the Office during the one-year election period, beginning from the date of hire.
2. The member contributions shall be credited by the Office to a vested and nonforfeitable account of the individual member. This same treatment applies to any portion of required employee contributions paid by the employer in lieu of the required employee contributions under a formal “pick-up” election pursuant to Section 414(h)(2) of the Internal Revenue Code.
3. At the end of a member’s one-year election period, the Office shall do the following based upon the irrevocable participation election made by the member (including those who do not make an affirmative election and whose participation results from the default election):
 - a. For members who participate in the Tier 2 Hybrid Retirement System, the required member contributions shall remain vested in the individual’s account and be held in trust for the payment of future benefits or an eligible refund.
 - b. For members who participate in the Tier 2 Defined Contribution Plan, the required member contributions, with associated accrued interest, shall be transferred into and be vested in the member’s 401(k) account with the Defined Contribution Savings Plan Department.

This Resolution takes effect on August 13, 2020.