



2026 Employer Event

# Retirement Updates: 2026 Legislative Session

Dee Larsen, *March 24, 2026*



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# Topics

**2026 Key  
Retirement  
Bills**

**Federal  
Legislation:  
SECURE 2.0 Act**

**Looking  
Ahead**

**Q&A**

# 2026 Key Retirement Bills



# S.B. 25

## Retirement Modifications

(Sen. Harper)

- » These are administrative and technical amendments to Utah Code Title 49 recommended to the Legislature annually by URS.
- » Retirement Membership Council will have three additional members representing school district superintendents, school board members, the State's Chief HR Officer or designee.
- » Makes “bona fide termination of employment” and the shortened version, “termination of employment” uniform in Utah Code Title 49 instead of terms that have the same effect and meaning, including “ceases actual work for the employer that employs the member” and “cease service.”

# S.B. 25 (Continued)

- » Bona fide termination of employment at retirement, includes not having pre-arrangement for future reemployment (fee-for-service relationship of any kind or character) with a participating employer.
- » Uniformity in language should help clarify that bona fide termination of employment is (and has been) an element of eligibility for both:
  - › Retirement; and
  - › Returning to postretirement reemployment while continuing to receive a monthly retirement allowance.

# S.B. 25 (Continued)

Other provisions include:

- › Service credit coordination between systems.
- › Attorney General's Office senior staff exemption election.
- › Executive Director ruling delegation authorized.
- › Permanent relinquishment of benefits clarification (allowed for beneficiaries but not members).

# H.B. 416

## Firefighter Cancer Amendments

(Rep. Teuscher)

- » Adjusts insurance premium tax revenue for firefighter retirement programs, creates the Firefighter Cancer Benefit Trust Fund, establishes a board of trustees, and outlines board duties.
- » Reduces URS' Tier 1 Firefighter System premium tax revenue subsidy to \$5 Million annually.
- » Because of Firefighter Systems' full funding, will not result in a contribution rate increase.

# H.B. 250

## Utah Retirement Plan Exchange

(Rep. Elison)

- » **Not** a bill affecting URS participating employers.
- » URS has received some inquiries about this bill and employers may too.
- » Directs the State Treasurer's office to establish and maintain an online exchange through which an eligible private employer may review, compare, and select one or more retirement plans for the benefit of the employer's employees.

# S.B. 229 (4<sup>th</sup> Substitute Version)

## State Employee Benefits Amendments

(Sen. Fillmore)

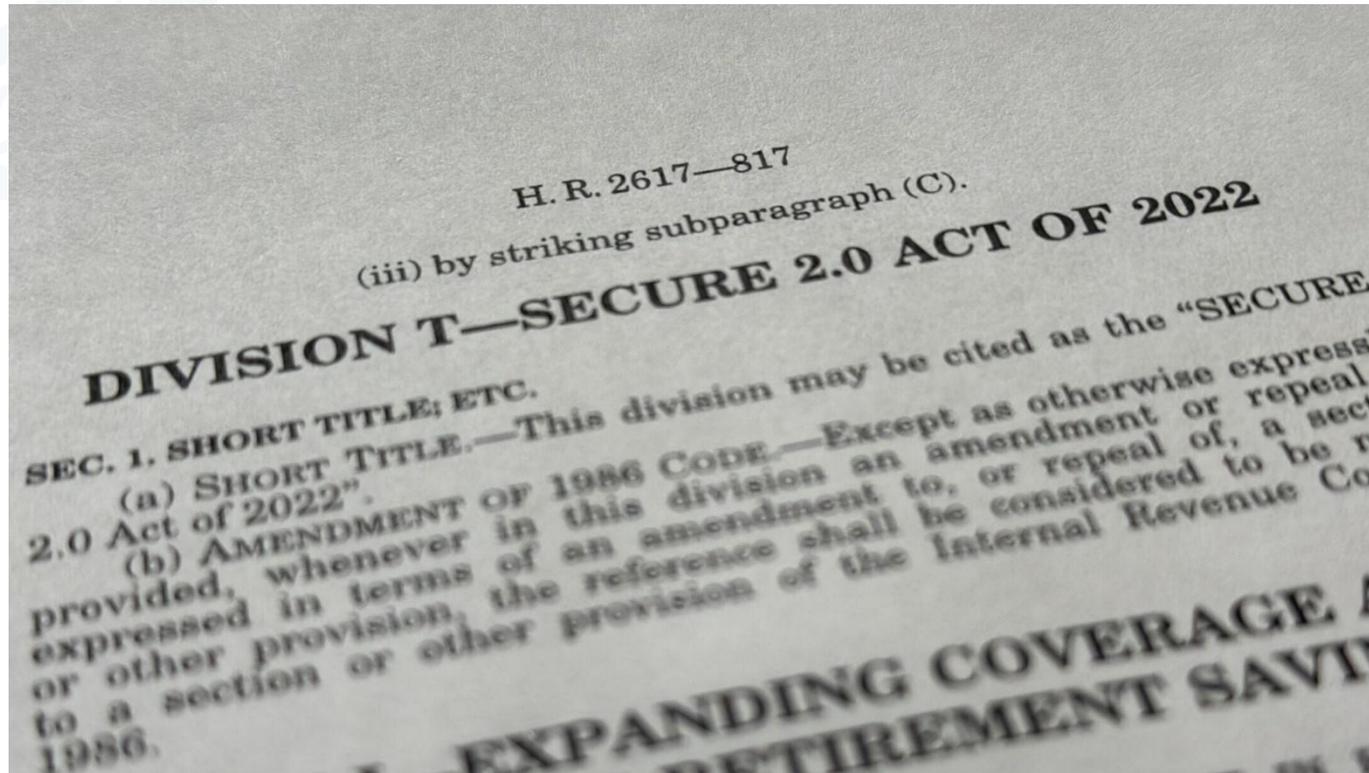
- » Bill only for State employees' benefits; other employers provide and administer their own leave and supplemental DC contribution programs.
- » Will enroll new state employees (by July 1, 2027) and current employees who elect to participate in a paid time off (PTO) system rather than a combination of sick leave and annual leave.
- » Changes the State's 401(k) match structure and increases employer 401(k) matching contributions for State Tier 2 employees (\$12.5 Million cost).

# S.B. 229 (Continued)

The State's Division of Human Resource Management (DHRM) and Division of Finance will establish and oversee other benefit changes, including:

- › A leave bank program for each agency;
- › An employer-provided short-term disability program;
- › Employer-provided accidental death and dismemberment (AD&D) insurance coverage; and
- › Rules governing the accrual and use of PTO.

# Federal Legislation: SECURE 2.0 Act



# Key Terms

## FICA Wages:

- » Refers to the wages subject to the Federal Insurance Contributions Act (FICA), which includes Social Security and Medicare taxes.

## Catch-up Contributions for Defined Contribution Savings Accounts (e.g. 401(k), 457, etc.):

- » Federal law allows eligible participants age 50 and older to contribute extra funds (beyond the standard annual limit) to their retirement accounts.

# Key Terms

## Roth Defined Contribution Savings Accounts (e.g. 401(k), 457(b), etc.):

- » Unlike traditional accounts, Roth contributions are taxed before the money is contributed to the Plan.
- » Earnings on Roth contributions grow tax-free and distributions will also be free of federal (and where applicable, state and local) income taxes, provided they are qualified distributions.
- » An employer must adopt ROTH plans with URS before they are available to that employer's employees. The Roth options may require additional work if your payroll system is not already programmed to account for Roth after tax contributions.

# SECURE 2.0 Background



In late December 2022, Congress passed a \$1.7 trillion spending bill to keep the government funded, known as the SECURE 2.0 Act.



It builds on the original SECURE Act from 2019. Both are a package of tax law changes and other reforms intended to enhance retirement savings options for Americans.



There are nearly 100 provisions in SECURE 2.0.



Most provisions aren't particular to public retirement plans, but some provisions could affect public sector employers and employees who use defined contribution accounts.

# SECURE 2.0 Act

## New High Earner Catch-Up Rules Impact Participating Employers

- » Effective 2026
- » Employees age 50 or older
- » Employees paying into Social Security
- » Earn more than \$150,000 in FICA wages
- » Catch-up contributions must be on a Roth (after tax) basis

# What Employers Must Do

## Adopt Roth?

- ✓ Allow affected employees to make catch-up contributions.
- ✓ An employers must adopt Roth plans with URS before they are available to that employer's employees.
- ✓ If an employer does not participate in Roth, affected employees will not be able to make catch-up contributions.

## Report to URS Employees Who:

- ✓ Are age 50 or older (by December 31, 2026); and
- ✓ Earned more than \$150,000 of FICA wages in 2025.

# Looking Ahead



# 2026 Interim/2027 General Session

URS will continue to meet with Legislative Committees, Legislators, the URS Membership Council, and other retirement stakeholder groups to discuss benefits, potential changes, and costs.

# Studies and Discussions

- » Expect more discussion about total compensation and retirement benefits.
- » Some key retirement-related principles may include:
  - › Helping hire and retain employees.
  - › Preserving or enhancing retirement security.
  - › Providing more employee flexibility.
  - › Educating about employer supplemental benefits.
  - › Keeping costs neutral (no general contribution rate increases).

A central graphic featuring the text "Q&A" in a large, white, sans-serif font. The text is surrounded by several overlapping circles in various shades of blue. Many of these circles contain a white question mark, creating a cluster of question marks around the central text.

# Q&A

# Questions?

URS is willing to discuss questions or provide additional information, whether related to this presentation or about other retirement-related issues.

Please contact:

» **Kory Cox, Director of Legislative and Government Affairs**

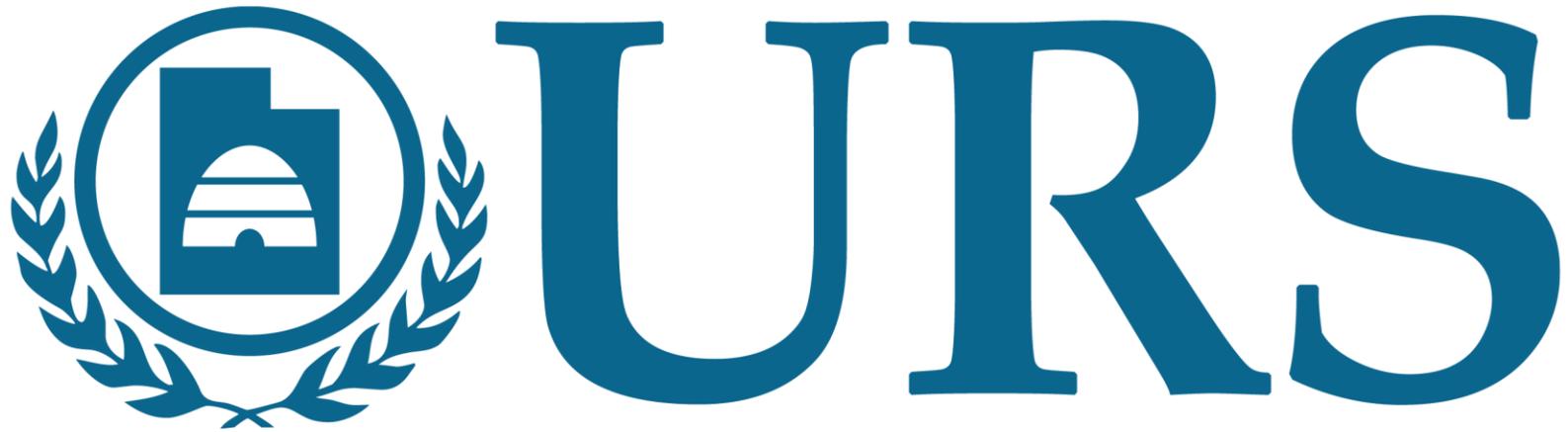
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Utah Retirement Systems

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