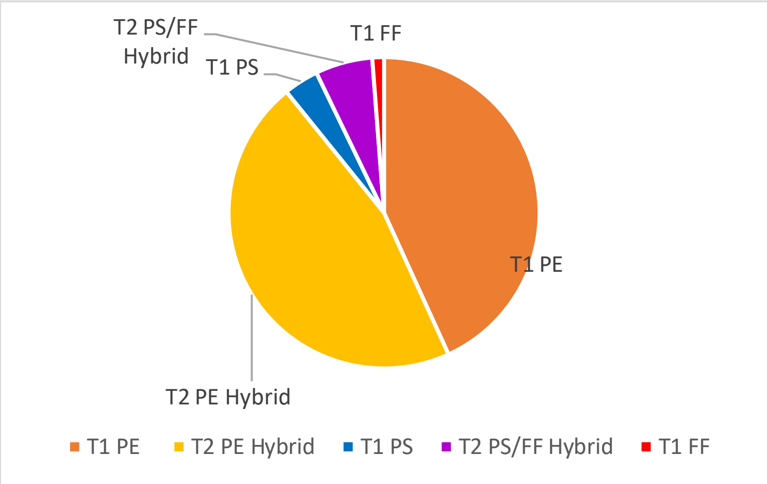
URS Fiscal Analysis of 2025 S.B. 25, "Postretirement Reemployment for Emergency Services Workers"

This document has been prepared by the Utah Retirement Systems (URS).

Summary of Fiscal Impact

If enacted, 2025 S.B. 25, "Postretirement Reemployment for Emergency Services Workers," will not result in a material fiscal impact on URS and its systems. This bill may impact affected participating employers and members as described below.

Affected Systems/ Employee Groups **Those Systems' Actuarial Accrued Liability**	**Fiscal Impact:** **Increase in unfunded actuarial accrued liability (UAAL)** **Change in funded status**	**Fiscal Impact:** **Increase in actuarially determined contribution rates**	**Fiscal Impact:** **Annual cost for Fiscal Year 2025-2026**
All Systems  All Systems - Actuarial Accrued Liability: $47.7 Billion	No increase in UAAL. No change to funded ratio.	No increase in contribution rates.	No general additional ongoing costs for all participating employers and members.

Proposed Legislative Provisions

This bill increases the limit for earnings on a retiree's remuneration who has returned to work under the affiliated emergency services worker exception listed in 49-11-1205(3) from a $500 a month limit to the limit outlined in 49-11-1205(1)(a)(iv), which is currently $20,000 per year.

Discussion and Actuarial Analysis: Employer and Member Impacts

The same compensation limit currently exists in statute, which allows a retiree to return to work after 60-days and receive up to $20,000 a year (and it is indexed on a yearly basis) in pay. For example, this limit can currently be used by a teacher who retires, then becomes a substitute teacher. Such a provision has limited the salaries of retirees returning to work within one year and has been a deterrent to individuals seeking to retire at an earlier age.

In the actuary's opinion, this bill has similar implications. S.B. 25 does not have a fiscal impact on the retirement systems. The limit of $20,000 per year does not encourage individuals to seek out retirement at an earlier age in order to see reemployment as an affiliated emergency services worker. If the remuneration was higher, the actuary believes this may begin to influence retirement behavior, which could increase costs to the retirement systems.

Administrative Cost Analysis

Implementation of the bill is not expected to affect administrative costs, but if any such costs are incurred, they will be handled within existing budgets and will not result in direct, measurable costs for URS. Accordingly, this bill likely will not have a material fiscal impact on URS, nor will it increase actuarially determined contribution rates.