

**MINUTES OF THE
UTAH STATE MEMBERSHIP COUNCIL MEETING
October 4, 2021, 12:00 Noon
Hybrid Meeting**

Council Members Participating in Person:

Ms. Sheri Nelson, Chairperson, Utah Public Employees' Association
Mr. LeGrand Bitter, Utah Association of Special Service Districts
Sr. Trooper Arlow Hancock, Utah Peace Officers' Association
Mr. Brad Hardesty, Utah Association of Retired Public Employees
Mr. Mike Harman, Utah Education Association
Mr. Larry Millward, Utah Retired School Employees' Association

Council Members Participating via Video Conferencing:

Mr. Jamie Davidson, Vice Chairperson, Utah League of Cities & Towns
Ms. Amy Ehresman, Utah School Employees' Association
Mr. Tyler Jensen, Utah Education Association
Mr. Dan Jessen, Utah Association of Counties
Mr. Marty Peterson, Professional Firefighters of Utah
Mr. Zane Woolstenhulme, Utah Association of School Business Officials

Excused: Ms. Taylee Foulger, Utah Public Employees' Association
Ms. Michele Jones, Utah Education Association
Judge Kara Pettit, Utah Judicial Council

Staff Participating in Person:

Mr. Dan Andersen, Executive Director
Mr. Ryan Ashcraft, Retirement Planning Director
Mr. Mark Cain, Retirement Benefits Director
Mr. Kory Cox, URS Association and Stakeholder Liaison
Ms. Liza Eves, Associate General Counsel
Mr. Dee Larsen, General Counsel
Ms. LuAnn Miskin, Executive Assistant
Ms. Stacey Nielsen, Retirement Benefits Director
Mr. Kendall Rima, Chief Information Officer
Mr. Craige Stone, Defined Contribution Director

Staff Participating via Video Conferencing:

Mr. Rob Dolphin, Chief Financial Officer
Mr. James Hammer, Employer Services Director

Guests Participating via Video Conferencing:

Ms. Debra Valentine, State Department of Human Resource Management

Welcome

Chairperson Sheri Nelson called the meeting to order at 12:06 p.m. and welcomed Council members, staff, and guest.

Approval of Minutes

Chairperson Sheri Nelson asked for approval of the September 13, 2021, Membership Council Meeting minutes.

ACTION: Mr. Larry Millward moved, seconded by Mr. Brad Hardesty, to approve the minutes of the September 13, 2021, Membership Council Meeting. The motion passed unanimously.

Report from Member Organizations

Chairperson Sheri Nelson asked the Council members for a report from their organizations or employers. She stated that she listened to the Retirement and Independent Entities Interim Committee meeting a few weeks ago. Mr. Dan Andersen and Mr. Dee Larsen did a very good job presenting to the committee. She referred to Rep. Birkeland's Postretirement Reemployment Amendments draft bill.

Sr. Trooper Arlow Hancock asked a question on Rep. Birkeland's bill regarding firefighters. Mr. Marty Peterson responded that there is not the need for firefighters, but they are supportive of possible changes for public safety.

Mr. Mike Harman stated that he had nothing to report.

Mr. Tyler Jensen stated that he had nothing to report.

Mr. Larry Millward stated that he had nothing to report.

Mr. Zane Woolstenhulme stated that he had nothing to report.

Ms. Amy Ehresman stated that she had nothing to report.

Mr. Dan Jessen stated that he had nothing to report. From the counties' standpoint, they are struggling to hire for law enforcement positions. Many counties are considering incentives such as wage increases and any improvements in retirement benefits would be a good thing to help attract new employees.

Mr. Larry Millward stated that he had nothing to report.

Mr. LeGrand Bitter stated that he had nothing to report.

Mr. Jamie Davidson stated that he had nothing to report.

Mr. Brad Hardesty stated that he had nothing to report.

Ms. Debra Valentine stated that she had nothing to report. But a lot of agencies are struggling to hire new employees.

Mr. Marty Peterson listened to the Retirement and Independent Entities Interim Committee meeting and URS did well and most people seemed to understand. A concern was raised about Tier 2 beneficiaries paying for Tier 1 benefits. It was explained that employers pay for the amortization fees for Tier 1 not the Tier 2 employees.

Mr. Dan Andersen commented that URS is looking at some national data that shows that the younger generation are becoming more concerned about long term financial security. Public employees' retirement benefits may go a long way to incentivize and attract younger new employees. He also reported that URS is coming up with some recruitment tools and resources to help employers.

2022 Legislation Preview

Mr. Dee Larsen discussed the amortization of the Tier 1 unfunded liability and how it is spread out over all employers. It is an educational challenge.

He discussed Rep. Birkeland's draft bill. There are a number of changes being discussed.

He reviewed the URS Annual bill, Summary of Proposed Items for 2022 Bill "Utah Retirement Systems Amendments". Key changes include:

- Employer certification of employees' eligibility
- Align the "year" used for service credit accrual and final average salary calculation
- Public Safety administrative positions eligibility
- Elected Officials' Tier 2 participation exception
- Participation election for Tier 2 Higher Education employees
- Effect of exemption of Tier 2 Defined Contribution Plan members
- Tier 2 fire chief exemption
- Makes technical and conforming changes

Executive Director Report

Mr. Dan Andersen did not have a report.

Post-Retirement Reemployment Rules Overview

Ms. Stacey Nielsen gave an overview of the post-retirement reemployment rules, including the following:

- Retirement Eligibility – An employee must have a Bona Fide termination
- Post Retirement
 - 0-60 Days – Retirement is cancelled
 - 61-365 – Restrictions and limitations on member include:

- Keep retirement check but must earn less than \$17,049 or ½ of final average salary, whichever is less
- No benefits (sick, vacation, medical, savings plans, etc.)
- 366 or more – Member makes choice
 - Keep retirement and make as much money as offered with benefits, but no employer-paid retirement benefits (401(k), savings plans, etc.); employer pays amortization costs
 - Or, cancel retirement and earn additional service for NEW separate retirement, must work at least two additional years, employer pays full contribution rate

Understanding the Costs of Working Retirees

Mr. Kory Cox reviewed the backend costs of working retirees.

- Post-Retirement Restrictions
- Working Retiree Experience
- Cost Principles
- Working Retiree Individual Costs
- Working Retiree Bill Costs
- Allowing Working Retirees

Other Business

None.

Adjournment

ACTION: Mr. Larry Millward moved to adjourn. The motion passed unanimously.

The meeting adjourned at 1:27 p.m.

The next Membership Council Meeting will be a hybrid meeting on November 1, 2021, at 12 noon.