

## 2016 URS Fiscal Analysis of H.B. 15

### Summary of Fiscal Impact

As shown below, H.B. 15, Domestic Relations Retirement Shares, if enacted does not have a material fiscal impact on the Utah Retirement Systems (URS).

<b>Increase in unfunded actuarial accrued liability:</b>	<b>Increase in annual cost for all participating employers:</b>	<b>Increase in actuarially determined contribution rates:</b>
None	None	None

### Proposed Legislative Provisions

This bill provides that a former lawful spouse of a member who dies before retiring may receive a proportionate death benefit if the former spouse has a valid domestic relations order on file with URS prior to the member's death date. However, if death benefits are partitioned among more than one surviving spouse due to domestic relations orders, the total amount received by the surviving spouses may not exceed the death benefits normally provided to one surviving spouse.

### Discussion and Actuarial Analysis

The actuary considers the mortality of active members to be a low-significance assumption. Also, the current marriage assumption used in valuing death benefits is that all members are married. Defining "surviving spouse" to include a former lawful spouse of a member who is under a domestic relations order on file with URS prior to the member's death date will have a small, if any, change to benefits paid under current actuarial assumptions and the limitations provided in the proposed legislation. Accordingly, this bill is not expected to have a material fiscal impact on the retirement systems.