

URS Fiscal Analysis of 2016 H.B. 35

This document has been prepared by the Utah Retirement Systems (URS) based on information and analysis received from its consulting actuary, Gabriel Roeder Smith & Company.

Summary of Fiscal Impact

If enacted, H.B. 35, Retirement Reemployment and Insurance Benefit Claims Limits, likely will not result in a material fiscal impact on URS:

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

Proposed Legislative Provisions

This bill creates a statute of limitations within Title 49, the Utah State Retirement and Insurance Benefit Act, that will more clearly give all parties notice of the applicable time limit to discover and resolve errors, claims, and disputes regarding retirement and PEHP benefits, rights, obligations, records, and contributions. In addition to providing a general 4-year limitations period, this legislation provides that a cause of action accrues and the limitation period runs from the date when the aggrieved party became aware, or through the exercise of reasonable diligence should have become aware, of the facts giving rise to the cause of action. This bill also provides exceptions to the limitations period for certain actions and makes technical and conforming changes. The provisions in H.B. 35 are not substantive benefit modifications.

Discussion and Actuarial Analysis

H.B. 35 does not alter benefit design or make substantive benefit modifications. 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.