

## Summary of 2016 Post-Retirement Reemployment Bills

January 28, 2016

<b>Bill Number and Short Title:</b>	H.B. 47, Postretirement Employment Rural and Title I School Exceptions	H.B. 86, Postretirement Employment Restrictions	H.B. 117, Modifications to Postretirement Reemployment Restrictions	S.B. 36, Postretirement Employment Exceptions	H.B. 50, Postretirement Reemployment Amendments	H.B. 51, Recodification of Postretirement Reemployment Provisions
<b>Sponsor:</b>	Rep. Cunningham	Rep. Cunningham	Rep. Cunningham	Sen. Mayne	Rep. Cunningham	Rep. Powell
<b>Common Key Points:</b>	These bills exempt a certain group of retirees from the current postretirement reemployment restrictions if: (1) the reemployment occurs at least 60 days from the retiree's initial retirement date; (2) the retiree is reemployed by a different agency; and (3) the retiree does not receive any employer paid retirement service credit or retirement related contributions from the participating employer. Also, the employer must pay the full contribution rate (rather than just the amortization rate) on the salary of the working retiree.					
<b>Brief Description of this Bill:</b>	The retiree must be reemployed in a rural employment position (county with a population less than 45,000) or as an educator at a Title I school.	This bill applies to all URS retirees.	The retiree must be reemployed as an educator at a Title I school.	The retiree must be reemployed as a public safety service employee, firefighter, or educator.	Increases the earnings limitation from \$15,000 to \$20,000 for retirees reemployed at least 60 days but less than one year after retirement and who do not receive any employer paid benefits.	This bill recodifies postretirement reemployment provisions, clarifies amortization rate payments for certain reemployed retirees, and makes technical changes. These are not substantive working retiree benefit modifications.
<b>Increase in unfunded actuarial accrued liability:</b>	\$39.2 million	\$223.4 million	\$11.2 million	\$142 million	\$11 million	None
<b>Increase in annual cost for all participating employers:</b>	\$1.4 million* <u>\$2.9 million</u> Total: \$4.3 million	\$9.1 million* <u>\$16.6 million</u> Total: \$25.7 million	\$300,000* <u>\$900,000</u> Total: \$1.2 million	\$7.3 million* <u>\$10.3 million</u> Total: \$17.6 million	\$1.2 million	None

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<b>Examples of increases in actuarially determined contribution rates:</b>	<ul style="list-style-type: none"> <li>• Tier I Public Employees Noncontributory Retirement System, State and School Fund: 0.07% increase</li> <li>• Tier I Public Safety Noncontributory, Other Division A Funds: increases ranging from .22% to .36%</li> <li>• Tier I Firefighters' Retirement System:               <ul style="list-style-type: none"> <li>○ Division A: .04% increase</li> <li>○ Division B: .08% increase</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Tier I Public Employees Noncontributory Retirement System, State and School Fund: 0.31% increase</li> <li>• Tier I Public Safety Noncontributory Funds: increases ranging from .55% to 1.23%</li> <li>• Tier I Firefighters' Retirement System:               <ul style="list-style-type: none"> <li>○ Division A: 1.03% increase</li> <li>○ Division B: 1.33% increase</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Tier I Public Employees Noncontributory Retirement System, State and School Fund: 0.03% increase</li> <li>• Tier II Public Employees, Hybrid Plan: 0.01% increase</li> </ul>	<ul style="list-style-type: none"> <li>• Tier I Public Employees Noncontributory Retirement System, State and School Fund: 0.19% increase</li> <li>• Tier I Public Safety Noncontributory Funds: increases ranging from .55% to 1.23%</li> <li>• Tier I Firefighters' Retirement System:               <ul style="list-style-type: none"> <li>○ Division A: 1.03% increase</li> <li>○ Division B: 1.33% increase</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Tier I Public Employees Noncontributory Retirement System, State and School Fund: 0.03% increase</li> <li>• Tier II Public Employee Hybrid Plan: 0.02% increase</li> </ul>	None



Prepared by **Utah Retirement Systems**

The information about these bills is current as of the publication date listed above and will not reflect any subsequent amendments. Detailed cost information and exhibits about each retirement bill is available online at <http://newsroom.urs.org> using the Retirement Office's "Fiscal Analysis of Bills" link in the lower left of that webpage. Those documents are prepared by URS based on information and analysis received from its consulting actuary, Gabriel Roeder Smith & Company.

\* Amount of the annual cost increase financed directly by the employers who employ working retirees; those employers will be required to pay the full contribution rate (rather than just the amortization rate) on the salary of reemployed retirees.

† Amount of the annual cost increase financed by all employers through increases to the actuarially determined employer contribution rates.