URS Fiscal Analysis of 2017 H.B. 28

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

Summary of Fiscal Impact
If enacted, 2017 H.B. 28, Public Employees Long-Term Disability Act Amendments, will not result in a material fiscal impact on the 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 makes amendments to the Long-term Disability Program (LTD program) administered by PEHP Health and Benefits. The LTD program is administered separately from the URS pension systems.

As background information, existing law addresses the coordination of LTD benefits with other benefits received and subsequent employment. The changes in this bill include:

- Clarifying that compensation from employment in excess of the limits will require the disability benefit to be reduced or reimbursed. This incorporates provisions in Section 49-21-402 by reference from Section 49-21-406 to provide notice and clarification about the existing offset.
- Amending Section 49-21-402 to affirmatively require an eligible employee that is under a total disability to inform the LTD program of: (1) an award or receipt of an amount from a source that could result in the monthly disability benefit being reduced or reimbursed; and (2) any employment. Timely notification to the LTD program of this information helps prevent overpayments, which must be recovered.
- Enacting Section 49-21-409 that provides procedures and penalties if an eligible employee knowingly misrepresents or fails to disclose required information to the LTD program, including suspension or termination of monthly benefits.

Discussion and Actuarial Analysis
In a separate fiscal analysis response, PEHP submitted that this bill will have no fiscal impact for PEHP. The program clarifications in this bill do not materially alter benefit design or make substantive benefit modifications for the retirement systems. Therefore, implementation of the bill will not affect administrative costs for URS. Accordingly, this bill likely will not have a material fiscal impact on URS nor will it increase actuarially determined contribution rates.