

URS Fiscal Analysis of 2017 S.B. 20

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 S.B. 20, Phased Retirement Amendments, likely 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 employer optional "Phased Retirement" program that was established within URS by 2016 S.B. 19, which took effect on January 1, 2017. Phased Retirement allows continuing employment on a half-time basis of a retiree with the same participating employer after the retiree's retirement date while the retiree receives 50% of the retiree's monthly retirement allowance.

In preparing to implement and administer the new program, a few technical issues have arisen that are addressed and clarified in this bill, including:

- A member must apply for phased retirement prior to the member's retirement date;
- Phased retirement shall begin after the retiree's retirement date, but no later than 120 days after the retiree's retirement date;
- The retirees and alternate payees will receive the same cost-of-living adjustments to their benefits; and
- Payment of a retiree's full retirement allowance will begin following notice to the Office that the retiree's phased retirement has been irrevocably terminated.

Discussion and Actuarial Analysis

The program clarifications in this bill do not materially alter benefit design or make substantive benefit modifications. Implementation of the bill is also 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.