

URS Fiscal Analysis of 2017 1st Substitute S.B. 21

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 1st Substitute S.B. 21, Retirement Systems Amendments, 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 represents the administrative and technical amendments to Title 49 recommended to the Legislature annually URS. This legislation codifies clarifications regarding current policies and practices, specifies PEHP's business names, and makes technical corrections. These changes are not substantive benefit modifications.

The 1st substitute bill also restores one line of statutory language relating to the judges' exemption from the reemployment earnings limitation that was unintentionally omitted in 2016 H.B. 51, Recodification of Postretirement Reemployment Provisions. Since 2016 H.B. 51 was intended and presented as not making substantive benefit modifications or changing the postretirement reemployment rules, the correction of the inadvertent change is likewise now viewed as not altering benefit design or making substantive benefit modifications.

Discussion and Actuarial Analysis

This bill 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.