

THE Inside STORY

A Utah Retirement Systems Newsletter for Employers

URS Economic Impact Study

Pension Supports \$650M in GDP

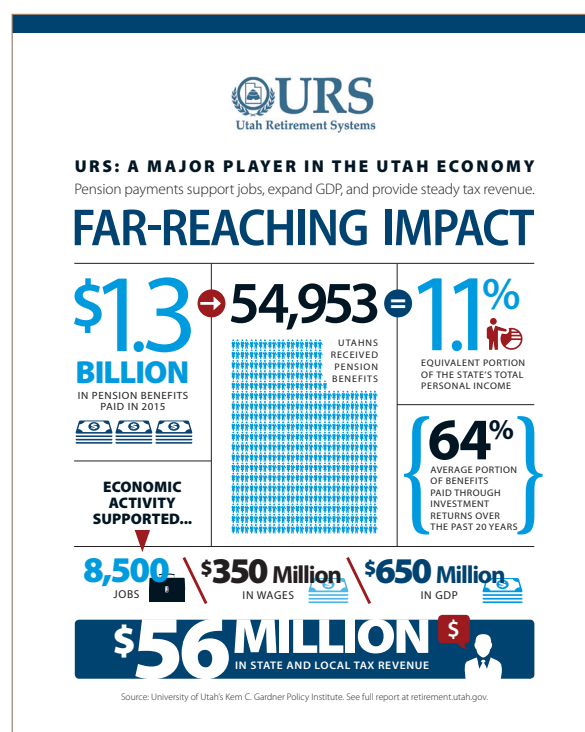
URS Has Far-Reaching Economic Impact on State, Study Shows

URS pension payments ripple throughout the Utah economy, supporting jobs, expanding GDP, and providing steady state and local tax revenue, a [recent study](#) shows.

In 2015, these payments supported about 8,500 Utah jobs, \$350 million in wages, \$650 million in GDP, and \$56 million in state and local tax revenue, according to a report prepared by the University of Utah's [Kem C. Gardner Policy Institute](#).

"URS pension payments are not only an important source of direct income for retirees," said Juliette Tennert, Director of Economic and Public Policy Research for the Institute. "They also support a sizeable amount of additional economic activity in Utah as retirees make local purchases that lead to increased jobs, wages, and even tax collections."

URS paid \$1.3 billion in pension benefits to 54,953 Utah residents in 2015, equivalent to about 1.1% of the state's personal income. The average portion of benefits paid through investment returns over the past 20 years is 64%.



» [See Complete Study](#)

» [Infographic: URS Impact](#)

"Every dollar initially contributed to the system by public employers ultimately supports \$1.36 of economic activity in Utah," Tennert said. ■

Senate Bill 19

Phased Retirement — Your Choice

Here's what you need to know about this voluntary program

The Legislature is testing a new approach to address employer concerns of an aging workforce and diminishing replacement resources with the passage of Senate Bill 19 – Phased Retirement.

The Phased Retirement bill goes into effect January 1, 2017, and allows an employer to provide a phased transition into retirement when the employer deems it beneficial.

It's a voluntary program for employers. Because it's a test program, the Legislature included a sunset provision that will repeal the phased retirement program Jan. 1, 2022, unless the Legislature takes action to continue the program.

Under this new program, an employer and a retiring employee enter into an agreement. The retiring employee will terminate his/her current full-time position, but will continue working for

Questions?

Contact Judy Lund at 801-366-7432, Mark Cain at 801-366-7475, or Matthew Judd at 801-366-7386.

the employer half-time while collecting 50% of his/her retirement benefit.

The 50% benefit is set by the statute and cannot be varied by any terms of the agreement. While in the phased retirement, the retiree cannot receive any additional retirement-related contributions or benefits, cannot work for any other URS covered employer, and will not receive any cost-of-living adjustment on his/her retirement allowance.

Upon termination from the phased retirement employment, the retiree will begin to receive 100% of the monthly retirement allowance and the termination date will be used for calculating the

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A Reminder About Individual Login Credentials

Are you or others in your organization sharing a username and password to log in to URS for Employers at www.urs.org? If so, you could be putting your organization at risk!

We encourage Web Administrators to establish an individual user account for each authorized employee and to train employees to keep their login credentials confidential.

As a Web Administrator, you can

customize levels of authorization for each account. When employees change roles or leave your organization, be sure to modify or remove their access rights.

Web Administrators can easily manage these features by logging into the URS for Employers site and clicking on the User Management Tool.

Please contact your Employer Support Technician at 801-366-7318 or 800-753-7318 for help managing user accounts. ■

House Bill 439

Retirement Forfeiture for Felony

Bill applies to individuals convicted of a felony for an employment-related offense

House Bill 439 enacted Utah Code section 49-11-1401, creating a means for the forfeiture of retirement service and employer-paid contributions on individuals who are convicted of a felony for an employment-related offense. This bill went into effect on May 10, 2016, and applies to felony convictions after that date and only for employment-related offenses.

An employment-related offense is a felony committed during the performance of the employee's duties, within the scope of the employee's employment, or appearing to be under the employee's authority. If an employer has an employee who is charged with a felony offense that is or may be employment-related, the employer is required to provide immediate notice to the Retirement Office.

This is done by contacting the Retirement Director, Judy Lund. This action simply provides URS with notice that there are pending charges. URS does not have the authority under this notice to stop benefits or withdrawals. To prevent access to the contributions or benefits until the felony case is determined, the employer

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must pursue a court order.

Once the charges are resolved, the employer is to provide notice again to the Retirement Office. If the charges have been dropped or the employee acquitted, the notification clears any URS internal flags or messages on the employee's account related to the charges.

If the employee is convicted, the employer must conduct an investigation to determine 1) if the offense is employment related, and, 2) on what date the offense was initially committed. The employer must provide the employee with notice of the determination and the opportunity to appeal (as outlined in Utah Code section 63G-4-101 et seq., the Utah Administrative Procedures Act).

After the appeal period, the employer is required to notify URS of the determination. If applicable, URS will immediately enact a forfeiture of service, related employer-paid contributions, and other Title 49 retirement benefits for the period of the offense. ■

‘Meet the Departments’ » Records Management

Record-keeping and So Much More

The Records Management Department acts as the operational hub of record-keeping for URS. We work closely with our employer groups to oversee reporting, individual account balance information, and service accruals for our members.

The department is structured across the following service areas:

Account Records » Processes and updates to member documents pertaining to plan eligibility. We update demographic change requests (such as beneficiary, address, and name changes) and monitor eligibility in the Public Safety Retirement Systems. We assist in the research of legacy records (such as roll film and microfiche), imaging documents, and complex data entry.

Adjustments » Works closely with employers to ensure member accounts are accurate and whole. We process both Defined Contribution and Defined Benefit adjustments to member accounts.

Business Processes » Takes an active approach to implement changes,

processes, and programs seeking opportunities to increase the level of service provided to our employer groups. We act as the liaison between the Records Management and the URS IT teams.

Compliance » Conducts compliance reviews with participating employers (currently on a three year review cycle). The focus is on educating employers and helping them stay in compliance with state retirement laws. Each month we conduct trainings and webinars with useful information.

Posting/Operations » Assists employers with submitting files and answering questions. We are more commonly known as your Employer Support Technicians. We post the contribution files, installment loan payments, rollovers, and service purchases. We also assist in getting new employees on the files and in the system.

Reconciliation » Keeps track of funds that are not able to post. We reconcile member accounts along with loan payments to 457 and 401(k) plans. We also act as the liaison between Finance and Records Management. ■

2015 URS Financial Report Now Available



The [2015 URS Comprehensive Annual Financial Report](#), which contains detailed financial information about URS, is now available. [Read it online](#) or request a printed copy by emailing publications@urs.org. ■

This summer, we will debut a new web format of the URS Employer's Guide. Watch your inbox for details!

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separation requirements for any future post-retirement employment.

If the employer chooses to utilize the phased retirement, there are a number of employer duties the statute requires.

- 1) The employer will establish written policies and procedures for phased retirement that will include provisions for:
 - a) Granting and denying a request for phased retirement.
 - b) Needed approvals within the participating employer.
 - c) Time limits or other restrictions.
 - d) Identifying positions that may be included or excluded.
- 2) The employer will enter into a formal written agreement with the retiring employee. The written agreement will include these elements:
 - a) Specify the period of the phased retirement.
 - b) Optionally, address the hours of work; outline the job duties; and other arrangements related to the employment.
- 3) The employer will employ the retiree on a half-time basis.
- 4) No later than five days before the retirement date, the phased retirement application and a signed copy of the agreement between the employer and retiring employee must be submitted to the Retirement Office.
- 5) Once the employee enters into the phase retirement program the employer will pay the amortization rate on the employee's wages.
- 6) The employer may not provide any retirement-related contributions or benefits for the retiree.
- 7) Except as specified for retirement-related benefits, the employer will treat the retiree working under phased retirement in the same manner as any other part-time employee working a similar position and number of hours with the employer, including:
 - a) Non-retirement benefits.
 - b) Leave benefits.
 - c) Medical benefits.
 - d) Other benefits.

Additional information including required forms will be made available to employers in the coming months. ■

Federal Compensation Limits for 2016

Federal rules in accordance with the Omnibus Budget Reconciliation Act (OBRA) prevent URS from accepting contributions on earned salary that exceeds certain limits. One limit applies to URS members in the system before Jan. 1, 1994, and the other applies to those after Jan. 1, 1994. Contributions based on salaries reported to URS above these limits will be refunded annually to the employer. ■

	Members after Jan. 1, 1994	Members before Jan. 1, 1994
2014	\$260,000	\$385,000
2015	\$265,000	\$395,000
2016	\$265,000	\$395,000

Requirements for Elected and Appointed Officials

Tier 1 Public Employees Noncontributory and Contributory Retirement System

Each month during the term of office elected or appointed officials must earn \$500 or more, indexed as of July 1, 1990, as provided in Utah Code Ann. §§ 49-12-407 and 49-13-407, to be eligible for retirement coverage. The minimum earnings requirements increase each year based on the consumer price index. As of Feb. 1, 2016, through Jan. 31, 2017, the minimum earnings requirements is \$1,005 per month. ■

Tier 2 Contributory Retirement System

Beginning July 1, 2011, a person initially entering full-time employment participates in the Tier 2 system. An elected or appointed official's position must be certified as full time by the participating employer in order to qualify for retirement coverage.

Questions? Call URS at 801-366-7318 or 800-753-7318. ■

Deferral Change Reports

We no longer distribute paper copies of the Deferral Changes Report. This is the report we send out each week listing employees who have savings plan deferrals, loan installments, and contribution changes.

It's important these changes are input into your payroll system timely and accurately to ensure your employees' paychecks are correct. Because we no longer provide this report through the mail, we provide

digital copies that you can access by logging into URS for Employers and clicking on Deferral Changes Report under the Reports menu.

As reports become available each week, we send an email reminder to the people listed as the WA and DC contact with our office.

Please contact your Employer Support Technician at 801-366-7318 or 800-753-7318 with any questions. ■