

**MINUTES OF THE
RETIREMENT AND INDEPENDENT ENTITIES COMMITTEE**
Tuesday, September 13, 2005 – 1:00 p.m. – Room W135 House Building

Members Present:

Sen. Beverly Evans, Senate Chair
Rep. Mike Morley, House Chair
Sen. D. Chris Buttars
Sen. Gene Davis
Sen. Karen Hale
Rep. Ron Bigelow
Rep. David Clark
Rep. Ann W. Hardy
Rep. Rebecca Lockhart
Rep. Karen W. Morgan
Rep. Merlynn T. Newbold
Rep. LaWanna "Lou" Shurtliff

Members Absent:

Sen. Carlene Walker
Rep. Neil A. Hansen

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Mr. Dee S Larsen, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

Note: A list of others present, copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Evans called the meeting to order at 1:10 p.m. Sen. Walker and Rep. Hansen were excused from attending the meeting.

MOTION: Rep. Bigelow moved to approve the minutes of the June 28, 2005 meeting. The motion passed unanimously, with Sen. Davis, Rep. Morley, and Rep. Morgan absent for the vote.

2. Two Percent Retirement Allowance (Draft Legislation)

Mr. Larsen distributed and reviewed a handout, "History of Retirement Formula Adjustments for Public Employees."

Rep. Shurtliff distributed a handout "H.B. 44 Inequities in the State Retirement System." She presented the draft legislation, "Additional State Retirement Benefit" that was distributed in the mailing packet. She explained that the bill increases the retirement benefit from 1.25 percent to 1.5 percent for years of service rendered prior to July 1, 1967. She noted that the retirement benefit for all years of service in the public employees system is 2 percent per year except years of service rendered prior to July 1, 1975 the retirement benefit is 1.25 percent per year.

Mr. Kent Abel, Utah Retired School Employee Association, commented on the draft legislation and spoke in support of the bill.

Mr. Robert Newman, Executive Director, Utah Retirement Systems answered questions of the committee and was available throughout the meeting to respond to retirement issues and questions from committee members.

Rep. Morley took over the chair.

3. Partial Compound Cost-of-Living Adjustment (COLA) on Retirement Benefits

Mr. Marty Peterson, Pension Membership Council of the Utah Retirement Systems, said that legislation regarding this issue will not be considered this year due to fiscal constraints.

4. Deferred Retirement Option Plan (DROP)

Mr. Peterson distributed written comments and reviewed the "Deferred Retirement Option Plan." The bill would allow a firefighter with 27 years or more service credit to retire and continue to work for from 12 to 61 months while the retirement allowance is placed into an account. The normal contributions toward the firefighter retirement are paid but forfeited into the system and the firefighter has the lump sum of his deferred allowance available upon final termination. He said the firefighters are willing to make additional payments in order to make this plan fiscally neutral.

5. Partial Lump Sum Payment Option Plan (Draft Legislation)

Rep. Clark presented draft legislation, "Partial Lump Sum Retirement Payment Option" that was distributed in the mailing packet. He explained that the bill would allow a member, at the time of application for retirement, to elect to receive a lump sum of their retirement benefit equal to 12 or 24 months of the member's allowance. The member's allowance would then be reduced to reflect the actuarial value of the lump sum received.

Mr. Dan Anderson, Utah State Retirement Systems, helped with the presentation and responded to committee questions.

Mr. Marty Peterson, Pension Membership Council, spoke in support of the bill.

6. Utah Retirement Office Technical Amendments Bill (Draft Legislation)

Rep. Hardy presented draft legislation, "Retirement Office Amendments" that was distributed in the mailing packet. She explained that the bill modifies the Utah State Retirement and Insurance Benefit Act to make certain technical and administrative amendments. It was noted that annually the Utah Retirement Office recommends technical amendments to the statute based on the previous years implementation experiences.

Mr. Anderson helped with the presentation and responded to committee questions.

MOTION: Sen. Evans moved to separate the bill by deleting lines 18 and 19, lines 220 through 284, and 357 through 419 and to put these provisions into a separate bill. The motion passed unanimously.

MOTION: Sen. Evan moved to adopt draft legislation "Retirement Office Amendments" as amended, as a committee bill. The motion passed unanimously.

7. Workers' Compensation for Occupational Diseases of Firefighters and Law Enforcement

Staff distributed draft legislation, "Workers Compensation Coverage of Firefighters and Drug Task Force Officers." It was noted that the bill would provide a presumption that certain specified occupational diseases are employment-related if contracted by a firefighter and drug task force officer. The bill includes a provision for exposure to meth lab chemicals.

Mr. James R. Judd, Professional Firefighters of Utah, presented a video and distributed handouts "The Firefighting Environment" and "Testimony of Christopher Jankosky, M.D., M.P.H. Occupational Medicine Fellow on behalf of The Professional Fire Fighters of Utah." He discussed the topic of infectious and chemical-induced illnesses that their public safety and emergency response personnel may be subjected to while performing their duties. He spoke in support of the bill.

Mr. Dan Fallows, Department of Public Safety, discussed their involvement with the drafting of the bill and spoke in support of the bill.

MOTION: Sen. Evans moved to continue with the next agenda item.

SUBSTITUTE MOTION: Sen. Davis moved to adopt the bill as a committee bill. The motion passed, with Sen. Evans, Rep. Morley, Rep. Hardy, Rep. Lockhart, and Rep. Newbold voting in opposition.

8. Follow-up to H.B. 213 Unused Sick Leave at Retirement Amendments

Mr. Rob Timmerman, employee relation representative for the UPEA (Utah Public Employees' Association), said that under advice of their legal counsel, UPEA must decline commenting on H.B. 213.

Rep. Clark explained that as a result of the change in government accounting standards every state is struggling with the issue of controlling post retirement benefits costs.

Rep. Bigelow reminded the committee that the actuary study on H.B. 213 is due to be released in October.

9. Public Safety Retirement System COLA

Mr. John H. Jones, COPs United for Retirement Equity, explained that the bill would increase the maximum cost-of-living adjustment from 2.5 percent to 4 percent for members of the Public Safety Retirement System.

Mr. Kelly Atkinson, Staff, COPs United for Retirement Equity, presented a power point presentation on overview and history on bringing retirement equity to police officers. He noted in six of the last 11 years, the cost-of-living has exceeded the 2.5 percent that law enforcement are limited to and all other public employees have benefitted above the 2.5 percent because the increase has been between 2.5 percent and 4 percent for those six years. A copy of his presentation "A Time for Action" was distributed to staff.

Mr. Kirk Allen, retired police officer, Executive Board of Fraternal Order of Police, spoke in support of the bill.

10. Other Committee Business

11. Adjourn

MOTION: Sen. Davis moved to adjourn the meeting. The motion passed unanimously. Chair Morley adjourned the meeting at 3:10 p.m. Rep. Newbold was absent for the vote.