

(Draft - Awaiting Formal Approval)

**MINUTES OF THE
RETIREMENT AND INDEPENDENT ENTITIES INTERIM COMMITTEE**
Wednesday, November 14, 2012 – 7:30 a.m. – Room 30 House Building

Members Present:

Sen. Todd D. Weiler, Senate Chair
Rep. Don L. Ipson, House Chair
Sen. Karen Mayne
Sen. Stuart C. Reid
Rep. Bradley M. Daw
Rep. Susan Duckworth
Rep. Gage H. Froerer
Rep. Wayne A. Harper
Rep. Lynn N. Hemingway
Rep. Bradley G. Last
Rep. Merlynn T. Newbold

Members Absent:

Sen. Curtis S. Bramble
Sen. Luz Robles
Sen. Daniel W. Thatcher
Rep. Mark A. Wheatley

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Ms. Shannon C. Halverson, Associate General
Counsel
Ms. Catherine J. Dupont, Associate General
Counsel
Ms. Debra Hale, Legislative Secretary

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

1. Committee Business

Chair Weiler called the meeting to order at 7:25 a.m.

MOTION: Rep. Ipson moved to approve the minutes of the October 17, 2012, meeting. The motion passed unanimously, with Rep. Froerer, Rep. Harper, and Rep. Last absent for the vote.

2. Risk Management Coverage for Independent Entities (draft legislation)

Ms. Tani Pack Downing, Director, Division of Risk Management, Department of Administrative Services, explained the unique challenges associated with risk management assistance for independent entities. She explained draft legislation "Risk Management for Independent Entities" (2013FL-0412/006) and stated that the bill primarily amends requirements for state independent entities to participate in coverage under the Risk Management Fund.

MOTION: Rep. Newbold moved to adopt draft legislation "Risk Management for Independent Entities" (2013FL-0412/006) as a committee bill. The motion passed unanimously, with Rep. Froerer and Rep. Last absent for the vote.

3. Post-retirement Health Coverage for Governors and Legislators (draft legislation)

Ms. Halverson described the details of draft legislation "Health Insurance Coverage Restrictions on Retired Governors and Legislators" (2013FL-0180/002), stating that there were issues in 2012 General Session S.B. 156, "Elected Official Retirement Benefits Amendments," that this draft legislation addresses by 1) clarifying that only service as a governor or legislator qualifies a recipient for governors' and legislators' group health coverage or Medicare supplemental coverage, and 2) providing that only service as a governor or legislator that began before July 1, 2013, qualifies a recipient for Medicare supplemental coverage.

MOTION: Rep. Daw moved to adopt draft legislation "Health Insurance Coverage Restrictions on Retired Governors and Legislators" (2013FL-0180/002) as a committee bill. The motion passed unanimously, with Rep. Last absent for the vote.

4. Retirement Analysis Requirements for Newly Created Public Entities (draft legislation)

Mr. Daniel D. Andersen, Legal Counsel, Utah Retirement Systems (URS), reviewed the issues addressed by draft legislation "Retirement Analysis for New Public Entities" (2013FL-0423/004). He stated that this bill will ensure understanding from all sides of the issue on exemption of public employees from URS.

MOTION: Rep. Ipson moved to adopt draft legislation "Retirement Analysis for New Public Entities" (2013FL-0423/004) as a committee bill. The motion passed unanimously, with Rep. Last absent for the vote.

5. Line-of-duty Death and Disability Amendments (draft legislation)

Rep. Ronda Rudd Menlove stressed the need for public safety personnel to be covered by medical insurance for injuries or death sustained not only from acts of external force or violence but also during strenuous activity or training required by their jobs. Rep. Menlove introduced Mr. Brent R. Halladay, State Fire Marshall, Utah Department of Public Safety, who referred to two firefighters who suffered heart attacks during strenuous training related to their jobs, are unable to return to the field, and are not eligible for full disability benefits.

The following legislators declared conflicts of interest:

Sen. Reid's son-in-law is a paramedic firefighter and a SWAT team member.

Rep. Newbold's husband has been a volunteer firefighter for several years.

Chair Weiler's brother-in-law is a volunteer firefighter.

Rep. Ipson has served as a volunteer firefighter and fire chief and a sworn police officer.

Mr. Jack Tidrow, President, Professional Fire Fighters of Utah, International Association of Fire Fighters, expressed his support for this bill. He clarified fitness levels and requirements that the association has adopted in a joint initiative regarding health and wellness. He added that departments have adopted and try to follow fitness tests and that department members are required to stay physically fit. He clarified that this does not include off-duty workouts. He stated that volunteer firefighters are not paid for their great service, and the least the state could do for them is to cover them if death or disability resulted from this service.

Mr. Steve Lutz, Assistant Director, Utah Fire and Rescue Academy, Utah Valley University, stated that all instructors are required to pay close attention to the health and safety of their students. He noted that included in the agenda of St. George's recent annual fire school meeting was the need to be aware of any

fitness problems, make them a higher profile issue, and provide fire schools with the resources needed to help stem the problem.

Chief Terry Keefe, Layton City Police Department, and President, Utah Chiefs of Police Association, expressed support for the bill. He stated that numerous volunteer firefighters, full time and part time, participate in training exercises. He expressed his concern that law enforcement officers involved in on-duty car accidents are currently not covered with the insurance protection they deserve. He continued by stating that law enforcement departments have physical fitness programs mandated by the insurance company, and the first step for new officers is to pass physical fitness tests, which are repeated twice a year throughout their careers. He noted that there is increasing accountability for departments to implement these programs, and he is aware of only five deaths in the last 38 years.

MOTION: Rep. Ipson moved to adopt draft legislation "Line-of-duty Death and Disability Amendments" (2013FL-0190/003) as a committee bill. The motion passed, with Rep. Froerer, Rep. Last, and Rep. Newbold voting in opposition.

6. Public Employee Exemptions From the Utah Retirement Systems

Mr. Christensen discussed the issue of exempting public employees from the URS. He stated that current law provides a list of public employees who are either not eligible for membership in a URS system or who can elect to be exempt from a URS system. He said the list generally only includes department heads and other high-level executive branch employees.

Mr. Christensen continued by stating that, if the Legislature finds it difficult to recruit and retain qualified applicants for certain positions, the Legislature could consider expanding that list.

7. Tier II Benefit Protection Program for Long-term Disability Employees

Mr. Daniel D. Andersen, Legal Counsel, Utah Retirement Systems, explained the Tier II employees benefit protection program, stating that this program allows a member with a disability to continue to earn retirement service credits throughout the disability. He added that funding for this program is usually built into the defined benefit contribution rates; however, under Tier II, an employee may choose a defined contribution plan for which this funding arrangement may not be feasible.

Mr. Andersen noted that out of 104,000 active employees, only about half are employed by employers who would provide these benefit protection contracts. He said that would currently involve about a dozen people each year and in ten years about 100 people.

8. Other Items / Adjourn

Chair Weiler stated that Sen. Bramble and he had been asked to speak to the Fraternal Order of Police a few weeks ago regarding some of these issues.

MOTION: Rep. Daw moved to adjourn the meeting. The motion passed unanimously.

Chair Weiler adjourned the meeting at 8:30 a.m.