

**MINUTES OF THE
RETIREMENT AND INDEPENDENT ENTITIES INTERIM COMMITTEE**

Thursday, June 2, 2016 – 1:00 p.m. – Room 30 House Building

Members Present:

Sen. Todd Weiler, Senate Chair
Rep. Kraig Powell, House Chair
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Margaret Dayton
Sen. Karen Mayne
Sen. Daniel W. Thatcher
Rep. Rich Cunningham
Rep. Sophia M. DiCaro
Rep. Susan Duckworth
Rep. Lynn N. Hemingway
Rep. Marie H. Poulson
Rep. John R. Westwood

Members Absent:

Rep. Steve Eliason
Rep. Bradley G. Last

Staff Present:

Mr. Alex R. Janak, Policy Analyst
Mrs. Shannon C. Halverson, Associate General Counsel
Mr. Peter Asplund, Associate General Counsel
Ms. Katie LeFevre, Legislative Assistant

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 1:06 p.m.

MOTION: Sen. Thatcher moved to approve the minutes of the November 10, 2015, meeting. The motion passed unanimously with Sen. Bramble, Sen. Davis, Rep. Cunningham, and Rep. Powell absent for the vote.

2. 2016 General Session Legislation Update

Ms. Halverson distributed "2016 General Session Retirement and Independent Entities Interim Committee Related Bills Passed." She gave an overview of the interim committee bills and retirement related bills that passed during the 2016 General Session.

3. Retirement Systems Overview

Mr. Janak distributed "2016 Utah Retirement Benefit/Contribution Summary Table." He presented a summary of the retirement systems and highlighted the differences between systems.

4. URS Comprehensive Annual Financial Report (CAFR)

Mr. Daniel D. Andersen, Executive Director, Utah Retirement Systems, distributed "Utah Retirement Systems' 2015 Comprehensive Annual Report."

Mr. Kim Kellersberger, Director of Finance, Utah Retirement Systems, reviewed and highlighted relevant sections of the "Utah Retirement Systems' 2015 Comprehensive Annual Report." He responded to questions from the committee.

Mr. Peter Mann, Audit Managing Director, Deloitte & Touche LLP, explained that the committee should be aware that the Governmental Accounting Standards Board continues to publish new accounting standards. He discussed the auditor's role in "Utah Retirement Systems' Comprehensive Annual Report" and outlined the audit conclusions. In response to questions from the committee, he commented on his firm's longstanding working relationship with Utah Retirement Systems.

Mr. Brandon Brown, Advisory Managing Director, Deloitte & Touche LLP, explained the Service Organization Controls and how Governmental Accounting Standards Board standards influences the controls.

5. Tier II Retirement Systems Update and Analysis

Mr. Andersen distributed a paper copy of the presentation "Tier II Retirement Systems Update and Analysis."

Mr. Dee Larsen, General Counsel, Utah Retirement Systems, presented the components of the Tier II Retirement Systems, including updated membership and demographic statistics.

Mr. Andersen continued the presentation on Tier II Retirement Systems. He explained that it has been nearly five years since the establishment of Tier II Retirement Systems. He gave an update on the current status of the Tier II Retirement Systems and provided updated projections.

Mr. Larsen discussed the seven components of the Tier II Retirement Systems, which include retirement eligibility, benefit formula, benefit limit, contributions and employer cap, vesting period, death benefits, and cost-of living allowance. He noted that changes made to one or more components can affect the overall cost and benefit structure of the system.

The committee heard public comment.

Mr. Jeremy Robertson, President, Salt Lake County Firefighters, explained that the Tier I Firefighters' Retirement System is a contributory system.

Mr. Jack Tidrow, President, Professional Firefighters of Utah, explained that the Tier I Firefighters' Retirement System is about 90% funded. He responded to questions from the committee.

6. Other Items/Adjourn

Mr. Larsen outlined Utah Retirement Systems' six potential committee bill requests.

MOTION: Rep. Powell moved to open six committee bill files, including Tier II Systems Amendments, Retirement Systems Amendments, Phased Retirement Amendments, Retirement Systems' Payments to Survivors Amendment, Firefighters' Disability Retirement Benefit Amendments, and Public Employees' Long-Term Disability Act Amendments.

Rep. Cunningham spoke to the motion and suggested that the committee open an additional bill file regarding retirement for higher education employees.

MOTION TO AMEND: Rep. Powell moved to amend his motion to include an additional bill file, Higher Education Retirement Participation Amendments. The motion to amend passed unanimously with Sen. Bramble, Sen. Davis, and Sen. Mayne absent for the vote.

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AMENDED MOTION: Rep. Powell moved to open seven committee bill files, including Tier II Systems Amendments, Retirement Systems Amendments, Phased Retirement Amendments, Retirement Systems' Payments to Survivors Amendment, Firefighters' Disability Retirement Benefit Amendments, Public Employees' Long-Term Disability Act Amendments, and Higher Education Retirement Participation Amendments. The amended motion passed unanimously with Sen. Bramble and Sen. Davis absent for the vote.

The committee scheduled future meetings for Wednesday, September 14, 2016, and Thursday, November 10, 2016.

MOTION: Sen. Dayton moved to adjourn the meeting. The motion passed unanimously with Sen. Bramble and Sen. Davis absent for the vote.

Chair Weiler adjourned the meeting at 3:52 p.m.