

## Creswell, Lyn

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From: Peterson, Marty  
Sent: Thursday, June 18, 2009 9:55 AM  
To: Creswell, Lyn  
Subject: FW: proposed change to system for rehire

Attachments: rehire contribution changes.docx



rehire contribution  
changes.do...

-----Original Message-----

From: Peterson, Marty  
Sent: Sat 6/6/2009 9:39 AM  
To: Langford, Jodi  
Cc: Creswell, Lyn  
Subject: FW: proposed change to system for rehire

Here (attached) is some legislation that I am proposing be changed as an effort to reduce costs to employers. I am trying to take into account those who are already receiving a 401 related to existing legislation. The URS would prefer that all employers continue to pay the full amount of pension for rehired retirees, but to the system. That is the legislation they are likely to propose. I don't think that this effects SLIC much. More work to follow. Contact me for clarifications or questions.

New underlined. To be replaced, struck through. Marty.

~~the same percentage of a retiree's salary that the participating employer would have been required to contribute if the retiree were an active member, up to the amount allowed by federal law.~~

(b) The contributions shall be paid to a retiree-designated:

- (i) qualified defined contribution plan administered by the board; if the participating employer participates in a qualified defined contribution plan administered by the board; or
- (ii) qualified defined contribution plan offered by the participating employer if the participating employer does not participate in a qualified defined contribution plan administered by the board.

(c) Notwithstanding the provisions of Subsection (8)(b), if an employer is not participating in a qualified defined contribution plan administered by the board, the employer may elect to pay the contributions to a nonqualified deferred compensation plan administered by the board.

(d) If a participating employer hires a nonexempt retiree who retires after 7/01/2010 who may not earn additional service credit under this section, the participating employer shall contribute ten percent (10%) of a retiree's salary to the URS. No further contribution for the retiree shall be required, but will be allowed up to the amount allowed by federal law.

(9) Notwithstanding any other provision of this section, a retiree who has returned to work, accrued additional service credit, and again retires shall have the retiree's allowance recalculated using:

- (a) the formula in effect at the date of the retiree's original retirement for all service credit accrued prior to that date; and
- (b) the formula in effect at the date of the subsequent retirement for all service credit accrued between the first and subsequent retirement dates.

(10) This section does not apply to elected positions.

(11) The board may make rules to implement this section.

**49-15-301. Contributions -- Two divisions \_ Subdivisions.**

(1) Participating employers shall pay the certified contribution rates to the office to maintain this system on a financially and actuarially sound basis.

Except for increases to the contribution rate after 7/1/2009. Increases after that date will be shared equally by employees as a contributory portion. (The intent being to have the employee share ½ the increases and the employer ½.)  
Reductions will be also shared equally.

(2) For purposes of determining contribution rates, this system is divided into two divisions according to Social Security coverage:

(a) members of this system with on-the-job Social Security coverage are Division A; and

(b) members of this system without on-the-job Social Security coverage are in Division B.

(3) In addition to the divisions under Subsection (2) and for the purposes of determining contribution rates, each division under Subsection (2) is further divided as follows:

(a) members of this system with an annual cost-of-living adjustment under Subsection 49-15-403(2)(b) are in Divisions A1 and B1; and

(b) members of this system with an annual cost-of-living adjustment under Subsection 49-15-403(2)(a) are in Divisions A2 and B2.

(4) Contribution rates for a participating employer may be different than for other participating employers based on the participating employer's current funding status and actuarial experience.