

URS Fiscal Analysis of 2024 H.B. 469,
“Department of Natural Resources Law Enforcement Amendments”

This document has been prepared by the Utah Retirement Systems (URS).

Summary of Fiscal Impact

For URS and Participating Employers:

If enacted, H.B. 469, Department of Natural Resources Law Enforcement Amendments, likely will not result in a material fiscal impact on URS.

This bill does not alter benefit design or make substantive benefit modifications for the Public Safety Retirement Systems. Accordingly, actuarial analysis is not needed from the changes to Utah Code Title 49 in this bill as they would be no impact to the URS contribution rates. The accrual of new service credit in the Public Safety Retirement Systems will continue to be funded on a prospective basis as the normal cost portion of the contribution rate is paid each pay period.

Implementation of this bill could result in some small administrative costs, but these will be handled within existing budgets and will not result in direct, measurable costs for URS nor will it increase actuarially determined contribution rates.

For Certain Individuals:

This bill does amend provisions relating to the Public Safety retirement participation eligibility for certain employees of the State’s Department of Natural Resources (DNR). These sections are 49-14-201, 49-15-201, and 49-23-201. If, as new language in the bill provides, an employee “shall continue to earn public safety credit in this system, if the public safety employee . . . is no longer eligible for a service credit in this system” then this could affect the benefits of such an employee. For example, if the employee is no longer providing police protection, then they would not be a “qualified public safety employee” for purposes of federal tax law and may be outside the federal tax exemptions for qualified public safety employees. This could subject the retirement benefits of that group at retirement to an additional 10% income tax. Such impacts would need to be determined on a case-by-case basis under a facts and circumstances basis, but this could be an issue for some based on the broad grandfathering of certain DNR Public Safety employees under the current language of this bill.