ORIGINAL HOUSE BILL NO. HB0109

ENROLLED ACT NO. 65, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING 2018 BUDGET SESSION

AN ACT relating to public employees; increasing employee and employer contributions in the public employee retirement plan; requiring the increased employee contributions to be paid through a reduction in cash salary of the employee as specified; repealing archaic provisions; providing appropriations; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

**Section 1.** W.S. 9-3-412(a), (c)(iii) and (iv) and 9-3-413 are amended to read:

## 9-3-412. Members' contributions; payroll deductions; employer authorized to pay employee's share.

(a) Except as otherwise provided in this section and W.S. 9-3-431 and 9-3-432, every member covered under this article, shall pay into the account seven and one-half percent (7.5%) of his salary for the period from September 1, 2013 through June 30, 2014, and thereafter eight and one-quarter percent (8.25%) eight and one-half percent (8.5%) of his salary for the period from September 1, 2018 through June 30, 2019, eight and three-quarters percent (8.75%) of his salary for the period from July 1, 2019 through June 30, 2020, nine percent (9%) of his salary for the period from July 1, 2020 through June 30, 2021 and thereafter nine and one-quarter percent (9.25%) of his salary. Every firefighter member covered under this article shall pay into the account seven percent (7%) of his salary. Payments shall be deducted each pay period from each member's salary by the chief fiscal officer of each participating employer. Employee contributions shall be transferred to the account in accordance with subsection (c) of this section.

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(c) The contributions under subsection (b) of this section shall be paid from the source of funds which is used in paying salary to the member. The employer may pay these contributions by a reduction in cash salary of the member or by an offset against a future salary increase, or by a combination of a reduction in salary and an offset against a future salary increase, provided:

(iii) For state employee members five and fifty-seven hundredths percent (5.57%), except that for the period from September 1, 2013 through June 30, 2014 five and eighty-two hundredths percent (5.82%), for the period from July 1, 2014 through June 30, 2016 six and one hundred ninety-five thousandths percent (6.195%), and for the period from July 1, 2016 through June 30, 2017 five and nine hundred forty-five thousandths percent (5.945%), of the member's salary shall be paid by the employer without any salary reduction or offset. The remaining portion of the state employee's contribution shall be paid through a reduction in cash salary of the state employee unless specified otherwise by legislative act; and

(iv) For full-time brand inspection contract employees authorized to participate in the state retirement system under W.S. 9-2-1022(a)(xi)(F)(IV), not more than five and fifty-seven hundredths percent (5.57%), except that for the period from September 1, 2013 through June 30, 2014 five and eighty-two hundredths percent (5.82%), for the period from July 1, 2014 through June 30, 2016 six and one hundred ninety-five thousandths percent (6.195%), and for the period from July 1, 2016 through June 30, 2017 five and nine hundred forty-five thousandths percent (5.945%), of the contract employee's salary shall be paid by the

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livestock board unless specified otherwise by legislative act.

## 9-3-413. Employer's contributions; payable monthly; transfer to account; interest imposed upon delinquent contributions; recovery.

Except as provided by W.S. 9-2-1022(a)(xi)(F)(III) or (IV), 9-3-431 and 9-3-432, each employer including excluding employers of firefighter members, shall on a monthly basis, pay into the account a contribution equal to seven and twelve hundredths percent (7.12%) until June 30, 2014, of the salary paid to each of its members covered under this article. For the period from July 1, 2014 through June 30, 2015, each employer, excluding employers of firefighter members, shall on a monthly basis, pay into the account a contribution equal to seven and sixty-two hundredths percent (7.62%) of the salary paid and thereafter eight and thirty-seven hundredths percent (8.37%) of the salary paid. After June 30, 2014 eight and sixty-two hundredths percent (8.62%) of the salary paid to each of its members covered under this article for the period from September 1, 2018 through June 30, 2019, eight and eighty-seven hundredths percent (8.87%) of the salary paid for the period from July 1, 2019 through June 30, 2020, nine and twelve hundredths percent (9.12%) of the salary paid for the period from July 1, 2020 through June 30, 2021 and thereafter nine and thirty-seven hundredths percent (9.37%) of the salary paid. Employers of firefighter members shall pay into the account a contribution equal to seven and twelve hundredths percent (7.12%) of the salary paid. Employer contributions for any month, together with the members' contributions for that month, if any, shall be transferred to the board not later than the twelfth day of the following month. These contributions shall be credited to the account in a manner

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as directed by the board. Any employer failing to transfer contributions under this section in sufficient time for the board to receive the contributions by the twenty-fifth day of the month due shall be assessed interest at the assumed rate of return as determined by the board, compounded annually. Interest imposed under this section shall be payable not later than the twelfth day of the next succeeding month. If the contributions and any interest imposed under this section are not transferred to the board when due, they may be recovered, together with court costs, in an action brought for that purpose in the first judicial district court in Laramie County, Wyoming.

## Section 2.

(a) There is appropriated to the state auditor from the general fund the following amounts:

(i) Twenty thousand dollars (\$20,000.00) for legislative branch employer contributions;

(ii) Thirty-six thousand dollars (\$36,000.00) for judicial branch employer contributions;

(iii) One million four hundred seventeen thousand dollars (\$1,417,000.00) for state executive branch employer contributions;

(iv) Three hundred ninety thousand dollars (\$390,000.00) for community college employer contributions;

(v) Five hundred ninety-two thousand dollars (\$592,000.00) for University of Wyoming employer contributions.

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(b) There is appropriated to the state auditor six million two hundred thirty-eight thousand dollars (\$6,238,000.00) from the school foundation program account.

(c) For state agency employers whose retirement contributions are made from nongeneral fund sources there is appropriated from those accounts and funds amounts necessary to provide payment of the increase in employer contribution rates required by W.S. 9-3-413, as amended by this act.

appropriations under (d) The paragraphs (a)(i) through (iii) and subsection (c) of this section shall only be expended to provide payment of the increase in each state agency's employer contribution rates required by 9-3-413, as amended by this act for the 2019-2020 fiscal biennium. The appropriation under paragraphs (a) (iv) and (v) of this section shall only be expended for the purpose of providing payment of the increase in the University of Wyoming and community college employer contribution rates required by W.S. 9-3-413, as amended by this act, and to provide like contributions under W.S. 21-19-101 through 21-19-106 corresponding to the increased employer contributions under this act for the 2019-2020 fiscal biennium.

(e) The appropriation under subsection (b) of this section shall only be expended for the purpose of providing each school district's increased employer contribution required by W.S. 9-3-413 as amended by this act, for the 2019-2020 fiscal biennium. The auditor shall transfer the funds to the state retirement system or to the department of education for distribution to individual school districts as determined by the department of education to be necessary to meet the provisions of this act. Any

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unexpended school foundation program account appropriation remaining on June 30, 2020 shall revert to the school foundation program account.

(f) No part of these appropriations shall be used to provide the increased employee contribution required by this act.

(g) Notwithstanding any other provision of law, the appropriations under this section shall not be transferred or expended for any purpose other than as specified in this section. Any unexpended, unobligated funds remaining from the appropriations under this section shall revert as provided by law on June 30, 2020.

(h) The auditor shall transfer the funds to the state retirement system or to individual state agencies as determined by the department of administration and information to be necessary to meet the provisions of this act.

(j) As used in this section "state agency" includes each state executive, legislative or judicial department, board, commission or other agency or instrumentality of the state, and for purposes of subsection (c) of this section includes the University of Wyoming and each community college.

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Section 3. This act is effective September 1, 2018.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED:

I hereby certify that this act originated in the House.

Chief Clerk