

HOUSE BILL NO. HB0112

Wyoming retirement plans-adjustments.

Sponsored by: Representative(s) Henderson, Brown, Connolly,
Haley, Harshman, Olsen, Pelkey, Roscoe,
Sweeney, Washut and Zwonitzer and Senator(s)
Pappas and Schuler

A BILL

for

1 AN ACT relating to retirement benefits administered by the
2 Wyoming retirement system; providing for two single,
3 additional, noncumulative benefit payments under the
4 Wyoming Retirement Act, the Wyoming State Highway Patrol,
5 Game and Fish Warden and Criminal Investigator Retirement
6 Act and the Firemen's Pension Account Reform Act of 1981;
7 providing an appropriation; specifying legislative intent
8 and making legislative findings; requiring a study, reports
9 and certifications as specified; and providing for an
10 effective date.

11

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

13

14 **Section 1.**

1

2 (a) It is the intent of the legislature to:

3

4 (i) Provide two (2) single, benefit payments to
5 retirees within specified Wyoming public employee
6 retirement plans;

7

8 (ii) Review public employee retirement plans to
9 determine if adjustments for inflation can be made while
10 still keeping the plans actuarially sound.

11

12 (b) The legislature finds:

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14 (i) Wyoming public employee retirement plans
15 have existed since as early as 1927. Cost-of-living or
16 other benefit adjustments have been made in various public
17 employee retirement plans on an ongoing basis since as
18 early as 1953;

19

20 (ii) 2012 Wyoming Session Laws, Chapter 107,
21 made significant modifications to cost-of-living and other
22 benefit increases in public employee retirement plans.
23 While finding that the actuarial funding levels of the

1 Wyoming plans were higher than many public employee
2 retirement plans in other states, the legislature found
3 that "as constructed by statute, the Wyoming plans were not
4 intended to and cannot support cost-of-living or other
5 benefit increases;"

6

7 (iii) The 2012 enactment removed the authority
8 of the board of the Wyoming retirement system to provide
9 cost-of-living adjustments and placed further restrictions
10 on cost-of-living adjustments. Since the 2012 enactment,
11 no cost-of-living adjustments or other benefit increases
12 have been made under any of the plans subject to the
13 restrictions imposed by that enactment;

14

15 (iv) For the largest retirement plan, Wyoming
16 law has provided, since the initiation of that plan in
17 1949, that the enactment of the plan shall not constitute a
18 contract or create other rights other than to receive a
19 return of contributions upon withdrawal. The recreated act
20 in 1953 reiterated that no contract was created and
21 provided that the state was not incurring any future
22 obligation or liability other than to make the employer
23 contributions specified. Those provisions have remained

1 through the current day. However, the legislature is
2 authorized to make appropriations to satisfy moral
3 obligations of the state. State v. Carter, 215 P. 477
4 (Wyo. 1923). Payment under these retirement plans and this
5 act is not a gift to the employee but is at least in part a
6 recognition of a moral and equitable obligation;

7
8 (v) While stability of retirement plans is
9 critical, fair treatment of public employees is also
10 important in order to employ and retain dedicated
11 employees, as recognized by past legislative actions.

12

13 **Section 2.**

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15 (a) The board of the Wyoming retirement system shall
16 review the findings underlying the enactment of 2012
17 Wyoming Session Laws, Chapter 107 and report to the
18 legislature:

19

20 (i) Subsequent legislative and board actions
21 which affect the findings of the 2012 enactment;

22

1 (ii) The effect of inflation on retirees since
2 the last benefit adjustments were provided to retirees in
3 each public employee retirement plan;

4

5 (iii) Eligibility of retirees under each of the
6 plans for social security benefits and the effect that
7 eligibility for social security benefits:

8

9 (A) Was and is considered in establishing a
10 plan's benefits and contribution rates and pay provisions
11 for active employees;

12

13 (B) Has in offsetting benefit purchasing
14 power reduced as a result of inflation.

15

16 (iv) Existing and projected funding ratios for
17 each retirement plan, under current law and under any
18 recommended benefit, contribution or other adjustment for
19 each plan;

20

21 (v) An explanation of each plan, providing:

22

1 (A) The contribution rates by employer and
2 employee and identifying mandated employee "out-of-pocket"
3 contributions;

4

5 (B) An explanation of eligibility
6 requirements for normal and early retirement and disability
7 benefits and how benefits are calculated;

8

9 (C) Annual benefits paid;

10

11 (D) Historical changes to each plan; and

12

13 (E) Number of active, inactive and retired
14 participants of each plan.

15

16 (vi) Funds needed to fund each plan at an
17 actuarial funded ratio of one hundred percent (100%) at the
18 time of the report and at a thirty (30) year projection,
19 and benefit adjustments that would reach these ratios
20 without additional increases in funding not currently
21 provided in law;

22

1 (vii) Recommended modifications to law providing
2 parameters under which any benefit adjustment may be
3 authorized, including:

4

5 (A) Recommended actuarial funded ratios;

6

7 (B) An index by which to measure true cost
8 increases or decreases for retirees;

9

10 (C) Minimum and maximum adjustments over
11 specified periods and the immediate and projected cost of
12 the adjustments.

13

14 (b) The report required by this section shall be
15 submitted not later than September 1, 2020.

16

17 (c) The joint appropriations committee shall consider
18 the recommendations of the board of the Wyoming retirement
19 system and may develop legislation as the committee
20 determines appropriate for introduction in the 2021 general
21 session.

22

1 **Section 3.** As used in sections 1 and 2 of this act
2 "public employee retirement plan" or "retirement plan"
3 includes all plans administered by the Wyoming retirement
4 board, the volunteer firefighters plan administered by the
5 volunteer fireman's pension board under W.S. 35-9-601
6 through 35-9-615, the volunteer firefighter, EMT and search
7 and rescue pension plan under W.S. 35-9-616 through 35-9-
8 628 and the paid firemen plan A administered by the Wyoming
9 retirement board under W.S. 15-5-201 through 15-5-209.

10

11 **Section 4.** Two (2) single additional payments shall
12 be made, one (1) on or before July 1, 2020, and one (1) on
13 or before July 1, 2021, to each eligible individual
14 receiving a service pension, survivor's pension, retirement
15 benefit, survivor benefit, death benefit or disability
16 pension or benefit under the Wyoming Retirement Act, the
17 Wyoming State Highway Patrol, Game and Fish Warden and
18 Criminal Investigator Retirement Act or the Firemen's
19 Pension Account Reform Act of 1981 as provided in this
20 section. The additional payments shall be limited to
21 individuals who first began receiving the applicable
22 benefit prior to July 1, 2019, either alone or in
23 combination with a member or retired or disabled employee

1 if the individual is a survivor. If the individual is a
2 survivor, the payment applicable benefit date shall be
3 based on the initial retirement or disability benefit of
4 the pertinent member. Each additional payment to an
5 eligible individual shall be calculated by multiplying the
6 eligible individual's existing annual benefit by one-tenth
7 of one percent (0.1%) for each year his retirement or
8 disability benefit was effective prior to July 1, 2019, or
9 if the individual is a survivor for each year the pertinent
10 member's or employee's benefit was effective prior to July
11 1, 2019, up to a maximum amount of three percent (3%) of
12 the existing annual benefit. The two (2) single additional
13 payments under this section shall not be ongoing or
14 cumulative.

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16 **Section 5.**

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18 (a) Not later than sixty (60) days after making the
19 first additional payments required under section 4 of this
20 act on or before July 1, 2020, the retirement board of the
21 Wyoming retirement system shall certify to the state
22 treasurer the total amount of funds paid from retirement
23 accounts or funds administered by the Wyoming retirement

1 system for those additional payments. The certification
2 shall not include the second additional payments that will
3 be made on or before July 1, 2021.

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5 (b) There is appropriated to the state treasurer's
6 office an amount of general funds equal to the amount
7 certified under subsection (a) of this section. The state
8 treasurer shall transfer this appropriation to the
9 retirement board of the Wyoming retirement system not later
10 than ninety (90) days after the receipt of certification
11 under subsection (a) of this section for credit to the
12 retirement accounts or funds from which the additional
13 payments were made. This appropriation shall not be
14 transferred or expended for any other purpose.

15

16 **Section 6.** This act is effective immediately upon
17 completion of all acts necessary for a bill to become law
18 as provided by Article 4, Section 8 of the Wyoming
19 Constitution.

20

21

(END)