SENATE FILE NO. SF0165

Public employee retirement-health premiums assistance.

Sponsored by: Joint Appropriations Interim Committee

A BILL

for

AN ACT relating to administration of government; providing for additional public employee retirement contributions; providing for corresponding additional retirement benefits; providing an appropriation; providing a statement of legislative intent; 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), 9-3-413, 9-3-418 by creating a new subsection (f), 9-3-431 by creating a new subsection (h), 9-3-432(a), (b) and by creating a new subsection (n), 9-3-604(a), 9-3-605, 9-3-610 by creating a new subsection (f), 9-3-704(a), 9-3-705, 9-3-707 by creating a new subsection (d), 15-5-203(a) and (d), 15-5-204 by creating a new subsection (h), 15-5-409 by creating a new subsection (c), 15-5-420(a) and 15-5-421 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 and firefighter members, shall pay into the account five and fifty-seven hundredths percent (5.57%) of his salary. Payments shall be deducted each pay period from each member's salary by the chief fiscal officer of each participating employer. In addition to the five and fifty-seven hundredths percent (5.57%) specified by this introductory subsection:

(i) Every member and firefighter members shall pay into the account one-half percent (.50%) of his salary. This contribution shall be accounted for separately from other contributions by the member in order to calculate a retirement benefit as provided in W.S. 9-3-418(f).

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

(a) 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 employers of firefighter members, shall on a monthly basis, pay into the account a contribution equal to five and sixty-eight hundredths percent (5.68%) of the salary paid to each of its members covered under this article and may on a monthly basis, pay into the account any amount of the members' share of retirement contributions. 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 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 rate of eight percent (8%) per annum. 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. In addition to the five and sixty-eighth hundredths percent (5.68%) specified by this introductory subsection:

(i) Each employer including employers of firefighter members shall, on a monthly basis, pay into the account a contribution equal to one-half percent (.50%) of the salary paid to each of its members covered under this article. This contribution shall be accounted for separately from other contributions on behalf of the member in order to calculate a retirement benefit as provided in W.S. 9-3-418(f).

9-3-418. Amount of service retirement benefit; firefighter members excluded.

(f) In addition to the other retirement benefits provided under this section each eligible retired member shall receive a benefit of an actuarial equivalent amount based upon contributions for that member under W.S. 9-3-412(a)(i) and 9-3-413(a)(i).

9-3-431. Firefighter members; contributions; benefit eligibility; service and disability retirement benefits;

termination of benefits upon failure to make timely contribution payments.

(h) In addition to the other retirement benefits provided under this section each eligible retired firefighter member shall receive a benefit of an actuarial equivalent amount based upon contributions for that member under W.S. 9-3-412(a)(i) and 9-3-413(a)(i).

9-3-432. Law enforcement officers; contributions; benefit eligibility; service and disability benefits; death benefits; benefit options.

(a) Each law enforcement officer shall pay into the account eight and six-tenths percent (8.6%) of his salary to fund benefits provided to law enforcement officers. Any contribution required under this subsection or subsection (b) of this section shall be paid by the employer from the source of funds used to pay officer salaries in order to be treated as employer contributions for the sole purpose of determining tax treatment under the United States Internal Revenue Code, § 414(h). These payments by the employer are subject to W.S. 9-3-412(c). In addition to the eight and six-tenths percent (8.6%) specified by this introductory subsection:

(i) Every law enforcement member shall pay into the account one-half percent (.50%) of his salary. This contribution shall be accounted for separately from other contributions by the member in order to calculate a retirement benefit as provided in subsection (n) of this section.

(b) Each employer of a law enforcement officer covered under this article shall pay into the account a contribution equal to eight and six-tenths percent (8.6%) of the salary paid to each of its law enforcement officers covered under this article and may pay into the account any amount of the officer's share of contributions under subsection (a) of this section. Payments under this subsection shall be made monthly to the account in accordance with W.S. 9-3-413 and are subject to the penalties imposed under W.S. 9-3-413 for delinquent contributions. No additional contribution shall be imposed upon the state, any city, town or county for benefits provided law enforcement officers under this article. In addition to the eight and six-tenths percent (8.6%) specified by this introductory subsection:

(i) Each employer of a law enforcement officer covered under this article, shall on a monthly basis, pay into the account a contribution equal to one-half percent (.50%) of the salary paid to each of its officer members covered under this article. This contribution shall be accounted for separately from other contributions on behalf of the member in order to calculate a retirement benefit as provided in subsection (n) of this section.

(n) In addition to the other retirement benefits provided under this section each eligible retired law enforcement officer member shall receive a benefit of an actuarial equivalent amount based upon contributions for that member under paragraphs (a)(i) and (b)(i) of this section.

9-3-604. Employee contributions.

(a) Except as otherwise provided in this section, every employee covered by this article shall pay into the fund eleven and two one-hundredths percent (11.02%) of his salary. This payment shall be deducted each pay period from employees' salaries by the respective chief fiscal officers of the employers. In addition to the eleven and two one-hundredths percent (11.02%) specified by this introductory subsection:

(i) Every employee covered by this article shall pay into the account one-half percent (.50%) of his salary. This contribution shall be accounted for separately from other contributions by the member in order to calculate a retirement benefit as provided in W.S. 9-3-610(f).

9-3-605. Employer contributions.

(a) Each employer subject to this article shall pay into the fund a contribution equal to eleven and thirty-three one-hundredths percent (11.33%) of all salaries paid to its employees and may pay into the fund any amount of the employees' share of retirement contributions. These contributions, together with the employees' contributions, if any, shall be transferred and credited to the retirement program in a manner the board directs. In addition to the eleven and thirty-three one-hundredths percent (11.33%) specified by this introductory subsection:

(i) Each employer subject to this article, shall on a monthly basis, pay into the account a contribution equal to one-half percent (.50%) of the salary paid to each of its employees covered under this article. This contribution shall be accounted for separately from other contributions on behalf of the employee in order to calculate a retirement benefit as provided in W.S. 9-3-610(f).

9-3-610. Amount of benefit.

(f) In addition to the other retirement benefits provided under this article each eligible retired member shall receive a benefit of an actuarial equivalent amount based upon contributions for that member under W.S. 9-3-412(a)(i) and 9-3-413(a)(i).

9-3-704. Employee contributions.

(a) Except as otherwise provided in this section, every employee covered by this article shall pay into the account nine and twenty-two one-hundredths percent (9.22%) of his salary. This payment shall be deducted each pay period from employees' salaries by the respective fiscal officers of the employers. In addition to the nine and twenty-two one-hundredths percent (9.22%) specified by this introductory subsection:

(i) Every employee covered by this article shall pay into the account one-half percent (.50%) of his salary. This contribution shall be accounted for separately from other contributions by the employee in order to calculate a retirement benefit as provided in W.S. 9-3-707(d).

9-3-705. Employer contributions.

(a) Each employer subject to this act shall pay into the account a contribution equal to eight and seventy-eight hundredths percent (8.78%) of the salary paid to each employee covered by this act. These contributions, together with the employees' contributions shall be transferred and credited to the retirement program in a manner the board directs. In addition to the eight and seventy-eight hundredths percent (8.78%) specified by this introductory subsection:

(i) Each employer subject to this act, shall pay into the account a contribution equal to one-half percent (.50%) of the salary paid to each of its employees covered under this article. This contribution shall be accounted for separately from other contributions on behalf of the employee in order to calculate a retirement benefit as provided in W.S. 9-3-707(d).

9-3-707. Amount of benefit; adjustments.

(d) In addition to the other retirement benefits provided under this act each eligible retired employee shall receive a benefit of an actuarial equivalent amount based upon contributions for that employee under W.S. 9-3-704(a)(i) and 9-3-705(a)(i).

15-5-203. Firemen and employer contributions; imposition at discretion of board; amounts; how and when collected, suspended and reinstated.

(a) In addition to the amount appropriated to the firemen's pension account by W.S. 15-5-202, every paid fireman may, at the discretion of the board, be assessed not more than eight percent (8%) of his gross monthly salary for the use and benefit of the account, up to the maximum monthly salary of a fireman first class. Any salary assessment imposed under this subsection shall be withheld monthly from his salary by the treasurer or other disbursing officer of the city, town or county. In addition to the eight percent (8%) specified by this introductory subsection:

(i) Every paid fireman shall pay into the account one-half percent (.50%) of his salary. This contribution shall be accounted for separately from other contributions by the member in order to calculate a retirement benefit as provided in W.S. 15-5-204(h).

(d) Upon a determination by the board in accordance with subsection (g) of this section, every employer shall pay into the account for each paid fireman it employs an amount not to exceed twenty-one percent (21%) of the salary of a fireman first class. Any contributions imposed under this subsection, together with the paid firemen's contributions, shall be transferred and credited to the account in a manner as the board directs. If the contributions are not transferred to the board when due, they may be recovered, together with interest at the rate of ten percent (10%) per annum in an action brought for that purpose in the district court for the county in which the employer has its principal office. In addition to the twenty-one percent (21%) specified by this introductory subsection:

(i) Every employer shall on a monthly basis pay into the account a contribution equal to one-half percent (.50%) of the salary paid to each paid fireman it employs who is covered under this article. This contribution shall be accounted for separately from other contributions by the member in order to calculate a retirement benefit as provided in W.S. 15-5-204(h).

15-5-204. Pensions; amounts; qualifications; when paid; disability benefits; disqualifications; examinations; disallowance; actions; adjustment.

(h) In addition to the other retirement benefits provided under this section, each eligible retired member shall receive a benefit of an actuarial equivalent amount based upon contributions for that member under W.S. 15-5-203(a)(i) and (d)(i).

15-5-409. Amount of service pension.

(c) In addition to the other retirement benefits provided under this section, each eligible retired member shall receive a benefit of an actuarial equivalent amount based upon contributions for that member under W.S. 15-5-420(a)(i) and 15-5-421(a)(i).

15-5-420. Member contributions.

(a) Each employer shall deduct monthly from the compensation of each member participating in the account a sum equal to six percent (6%) of such compensation, and that amount shall be paid by the employer to the account. In addition to the six percent (6%) specified by this introductory subsection:

(i) Every member participating in the account shall pay into the account one-half percent (.50%) of his salary. This contribution shall be accounted for separately from other contributions by the member in order to calculate a retirement benefit as provided in W.S. 15-5-409(c).

15-5-421. Contribution by employer.

(a) Until January 1, 1983 each employer shall pay into the account an amount equal to twenty-one percent (21%) of the compensation paid all members of the account. Beginning January 1, 1983, each employer shall make monthly contributions to the account in an amount equal to the percentage contribution rate multiplied by the salaries paid to members of the account. The contribution rate, expressed as a percentage, shall be based on the results of actuarial valuations made at least every three (3) years, with the first such actuarial valuation to be made as of January 1, 1982. The city's contribution rate shall be comprised of the normal cost plus the level percentage of salary payment required to amortize the actuarial liability over a period of forty (40) years from January 1, 1983, calculated on the basis of an acceptable actuarial reserve funding method approved by the board. Effective July 1, 2007, in addition to the employer contributions otherwise required under this subsection:

(i) Each employer shall on a monthly basis pay into the account a contribution equal to one-half percent

(.50%) of the compensation paid to all members of the account under this article. This contribution shall be accounted for separately from other contributions by the member in order to calculate a retirement benefit as provided in W.S. 15-5-409(c).

Section 2. It is the intent of this act that increased public employee retirement benefits may serve to lessen the burden on those employees upon retirement as they attempt to retain adequate health insurance coverage. The increased retirement benefits resulting from this act are intended to allow public retirees to pay health insurance premium increases as they occur during their retirement period.

Section 3.

(a) There is appropriated one million two hundred sixty-six thousand dollars ($1,266,000.00) from the general fund to the state auditor for the fiscal year beginning July 1, 2007 and ending June 30, 2008. The state auditor shall distribute the funds provided under this subsection, based on the determination of the budget division of the department of administration and information that the agencies' budgets do not provide adequate funding to state agencies for purposes of adjustments to employee retirement contributions provided under this act. The budget division shall include amounts necessary to continue funding the provisions of this act in agencies' 2009-2010 biennial standard budget requests.

(b) Provided funds are available, employees whose benefits are paid from nongeneral fund sources shall receive the same benefits as provided in subsection (a) of this section.

Section 4. This act is effective July 1, 2007.

(END)