

HOUSE BILL NO. HB0083

Public retirement-actuarially determined contributions.

Sponsored by: Joint Appropriations Committee

A BILL

for

1 AN ACT relating to public employee retirement; requiring  
 2 the calculation and collection of employee and employer  
 3 contributions for the public employee retirement plan to be  
 4 based on an actuarially determined contribution rate;  
 5 specifying procedures for the calculation of rates;  
 6 requiring reports; removing obsolete language; making  
 7 conforming amendments; and providing for an effective date.

8

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

10

11 **Section 1.** W.S. 9-3-413.1 is created to read:

12

13 **9-3-413.1. Members' and employers' contributions**  
 14 **based on actuarially determined contribution rates;**  
 15 **calculation of rates; reports.**

16

1           (a) Beginning with the 2027-2028 fiscal biennium, the  
2 retirement system shall calculate the percentage of salary  
3 for members' contributions required under W.S. 9-3-412(a)  
4 and for the employers' contribution required under W.S.  
5 9-3-413 based on an actuarially determined contribution  
6 rate in accordance with the following:

7

8           (i) The retirement system, in consultation with  
9 any actuary that the system utilizes, shall calculate the  
10 actuarially determined contribution rate for each fiscal  
11 year;

12

13           (ii) The retirement system shall calculate the  
14 actuarially determined contribution rate by using the  
15 actuarial value of that portion of the retirement account  
16 designated for the public employee retirement plan as of  
17 January 1, 2025 and January 1 of each odd-numbered year  
18 thereafter, the value of benefits, estimated administrative  
19 expenses and officially adopted actuarial assumptions. The  
20 retirement system shall use this valuation to calculate the  
21 actuarially determined contribution rate for the  
22 immediately succeeding fiscal biennium;

23

1           (iii) Not later than April 15, 2025 and April 15  
2 of each odd-numbered year thereafter, the retirement system  
3 shall report the actuarially determined contribution rate  
4 to each local government entity participating in the public  
5 employee retirement plan, the governor, the state auditor,  
6 the state budget department and the joint appropriations  
7 committee, subject to the requirements of this subsection;

8

9           (iv) Not later than April 15, 2026 and April 15  
10 of each even-numbered year thereafter, the retirement  
11 system shall calculate a valuation of the account and an  
12 updated actuarially determined contribution rate, using the  
13 actuarial value of that portion of the account designated  
14 for the public employee retirement plan as of January 1 of  
15 that year, for informational purposes and shall report the  
16 valuation and rate to each entity specified in paragraph  
17 (iii) of this subsection. The actuarially determined  
18 contribution rate calculated under this paragraph shall not  
19 be used as the actuarially determined contribution rate for  
20 purposes of this section;

21

22           (v) After calculation of the actuarially  
23 determined contribution rate under paragraph (ii) of this

1 subsection, the state budget department and the retirement  
2 system shall calculate necessary amounts to account for any  
3 changes in the appropriations necessary to fund the  
4 contributions for the public employee retirement plan and  
5 shall include those amounts in the budget prepared under  
6 W.S. 9-2-1010 through 9-2-1014.1, including changes in  
7 amounts for school districts necessary to account for the  
8 employer's share of the actuarially determined contribution  
9 rate in accordance with this section for benefits paid from  
10 the education resource block grant model defined in W.S.  
11 21-13-101(a)(xiv) and as enumerated in Attachment  
12 A(b)(xxxviii), as defined in W.S. 21-13-101(a)(xvii);

13

14 (vi) Any change in the actuarially determined  
15 contribution rate calculated under paragraph (ii) of this  
16 subsection shall take effect on July 1 of the subsequent  
17 even-numbered year;

18

19 (vii) Any change in the actuarially determined  
20 contribution rate calculated and reported under this  
21 subsection shall be in accordance with the following:

22

1                   (A) The actuarially determined contribution  
2 rate shall not be increased more than one-half percent  
3 (0.5%) nor decreased more than one-half percent (0.5%)  
4 from:

5

6                   (I) The rates specified in W.S.  
7 9-3-412(a) and 9-3-413 for the fiscal biennium beginning  
8 July 1, 2026;

9

10                   (II) The actuarially determined  
11 contribution rate for the preceding fiscal biennium for  
12 each fiscal biennium beginning July 1, 2028.

13

14                   (B) The actuarially determined contribution  
15 rate for a fiscal biennium shall not be decreased if the  
16 public employee retirement plan has a funded ratio of less  
17 than ninety-nine percent (99%), on both a market and  
18 actuarial basis, as calculated on the date specified in  
19 paragraph (ii) of this subsection;

20

21                   (C) For purposes of this paragraph, the  
22 actuarially determined contribution rate shall use a closed  
23 amortization period of thirty (30) years calculated from

1 January 1, 2018, with each subsequent amortization base  
2 created as a result of year-to-year experience changes over  
3 individual twenty (20) year closed periods;

4

5 (D) In no event shall the actuarially  
6 determined contribution rate be less than the normal cost  
7 contribution, plus the rate necessary to meet  
8 administrative expenses. As used in this subparagraph,  
9 "normal cost contribution" means the contribution  
10 calculated using the entry age normal actuarial cost method  
11 to determine the average uniform and constant percentage  
12 rate of employer contributions that, if applied to the  
13 compensation of each new member during the entire period of  
14 the member's anticipated covered service, would be required  
15 to meet the costs of all benefits payable on the member's  
16 behalf based on the benefits provisions applicable for the  
17 individual member.

18

19 (b) The actuarially determined contribution rate  
20 shall be paid through monthly contributions into the  
21 account as follows:

22

1           (i) Subject to paragraph (iii) of this  
2 subsection and except as otherwise provided in W.S.  
3 9-3-412, 9-3-431 and 9-3-432, every member covered under  
4 this article shall pay into the account a percentage of his  
5 salary in an amount equal to forty-nine and sixty-eight  
6 hundredths percent (49.68%) of the actuarially determined  
7 contribution rate calculated under this section;

8  
9           (ii) Every employer excluding employers of  
10 firefighter members shall pay into the account a  
11 contribution of members' salary in an amount equal to fifty  
12 and thirty-two hundredths percent (50.32%) of the  
13 actuarially determined contribution rate calculated under  
14 this section;

15  
16           (iii) For state employee members, five and  
17 fifty-seven hundredths percent (5.57%) of the member's  
18 salary that would otherwise be withheld in accordance with  
19 paragraph (i) of this subsection shall be paid by the  
20 employer without any salary reduction or offset. The  
21 remaining portion of the state employee's contribution  
22 required under paragraph (i) of this subsection shall be

1 paid through a reduction in cash salary of the state  
2 employee unless specified otherwise by legislative act.

3

4           **Section**           **2.** W.S.           9-2-3207(a)(xi)(F)(IV),  
5 9-3-402(a)(i)(A) and (xvi), 9-3-412(a), (b), (c)(intro),  
6 (ii) and (iv), 9-3-413, 9-3-414, 9-3-704(c), 11-20-201(b),  
7 21-3-314(c)(v), 21-13-320(f) and 21-13-321(d) are amended  
8 to read:

9

10           **9-2-3207. Duties of department performed through**  
11 **human resources division.**

12

13           (a) Subject to subsection (b) of this section, the  
14 department through the human resources division shall:

15

16                   (xi) Promulgate reasonable rules:

17

18                           (F) Necessary to administer a program  
19 whereby at-will contract employees may be utilized by  
20 agencies to meet programmatic needs. These rules shall be  
21 structured so that:

22

1 (IV) Notwithstanding subdivision (III)  
2 of this subparagraph, if the employment contract so  
3 provides, an at-will, year-round, full-time brand  
4 inspection contract employee authorized to carry out the  
5 duties specified by W.S. 11-20-201 may be eligible for  
6 membership in the state employees' and officials' group  
7 insurance plan in accordance with W.S. 9-3-207, and the  
8 state retirement system under W.S. 9-3-412 and 9-3-413.1,  
9 provided the employee pays the total premium or total  
10 contribution required, or the portion of the premium or  
11 contribution, if any, the employment contract directs the  
12 employee to pay and the employee's wages under the contract  
13 are reported on an Internal Revenue Service Form W-2 Wage  
14 and Tax Statement. Subject to the limitations of W.S.  
15 9-3-412(c) and 9-3-413.1(b), the Wyoming livestock board  
16 shall have sole discretion to determine the amount of the  
17 total premium or contribution to be paid by the employee  
18 and the amount to be paid by the board, if any. The  
19 amounts shall be stated in the employment contract. The  
20 time limitations provided in subdivision (V) of this  
21 subparagraph shall not apply to any employee under this  
22 subdivision;

23

1           **9-3-402. Definitions.**

2

3           (a) As used in this article:

4

5                   (i) "Account" or "member account" means:

6

7                           (A) For a member who has a minimum of four  
8 (4) years of service or a member initially employed before  
9 July 1, 2018, the member's contributions, the member's  
10 contributions paid by an employer under W.S. 9-3-412 and  
11 9-3-413.1 and any amounts transferred to the system from a  
12 terminated system on behalf of the member, plus interest  
13 compounded annually at a rate determined by the board not  
14 to exceed the average annual investment yield earned on the  
15 assets of the system, subject to subparagraph (C) of this  
16 paragraph;

17

18                           (xvi) "Salary" means the cash remuneration paid  
19 to a member in a calendar year, including employee  
20 contributions required by W.S. 9-3-412 and 9-3-413.1 and  
21 including member contributions paid by the employer under a  
22 salary reduction arrangement under W.S. 9-3-412(c) and  
23 9-3-413.1(b). "Salary" taken into account for a member

1 shall not exceed the amount specified under section  
2 401(a)(17) of the United States Internal Revenue Code;

3

4 **9-3-412. Members' contributions; payroll deductions;**  
5 **employer authorized to pay employee's share.**

6

7 (a) Except as otherwise provided in this section and  
8 W.S. 9-3-431 and 9-3-432, every member covered under this  
9 article, shall pay into the account ~~eight and one-half~~  
10 ~~percent (8.5%) of his salary for the period from September~~  
11 ~~1, 2018 through June 30, 2019, eight and three-quarters~~  
12 ~~percent (8.75%) of his salary for the period from July 1,~~  
13 ~~2019 through June 30, 2020, nine percent (9%) of his salary~~  
14 ~~for the period from July 1, 2020 through June 30, 2021 and~~  
15 ~~thereafter~~ nine and one-quarter percent (9.25%) of his  
16 salary for the period from July 1, 2021 through June 30,  
17 2026 and thereafter a percentage of the member's salary  
18 determined in accordance with W.S. 9-3-413.1. Every  
19 firefighter member covered under this article shall pay  
20 into the account seven percent (7%) of his salary.  
21 Payments shall be deducted each pay period from each  
22 member's salary by the chief fiscal officer of each  
23 participating employer. Employee contributions shall be

1 transferred to the account in accordance with subsection  
2 (c) of this section.

3

4 (b) Except as provided by W.S.  
5 9-2-3207(a)(xi)(F)(III) or (IV), in order to be treated as  
6 employer contributions for the sole purpose of determining  
7 tax treatment under the United States Internal Revenue  
8 Code, section 414(h) the contributions required by  
9 subsection (a) of this section shall be paid by the  
10 employer for state employee members and may be paid by the  
11 employer for member employees of political subdivisions of  
12 this state. Any contract employee authorized to participate  
13 in the state retirement system under W.S.  
14 9-2-3207(a)(xi)(F)(III) shall pay the entire member  
15 contribution and the entire employer contribution under  
16 W.S. 9-3-413 and 9-3-413.1. For the contributions as  
17 provided by W.S. 9-2-3207(a)(xi)(F)(IV), the contributions  
18 required by subsection (a) of this section may be paid by  
19 the Wyoming livestock board for state employee members in  
20 order to be treated as employer contributions for the sole  
21 purpose of determining tax treatment under the United  
22 States Internal Revenue Code, section 414(h). The amounts  
23 shall be stated in the employment contract.

1

2 (c) The contributions under subsection (b) of this  
3 section and W.S. 9-3-413.1 shall be paid from the source of  
4 funds which is used in paying salary to the member. The  
5 employer may pay these contributions by a reduction in cash  
6 salary of the member or by an offset against a future  
7 salary increase, or by a combination of a reduction in  
8 salary and an offset against a future salary increase,  
9 provided:

10

11 (ii) Except as provided in ~~paragraphs (iii) and~~  
12 paragraph (iv) of this subsection and W.S. 9-3-413.1(b),  
13 any employer may pay any amount of a member's share of  
14 retirement contributions without a salary reduction, offset  
15 or combination thereof;

16

17 (iv) For full-time brand inspection contract  
18 employees authorized to participate in the state retirement  
19 system under W.S. 9-2-3207(a)(xi)(F)(IV), not more than  
20 ~~five and fifty seven hundredths percent (5.57%)~~ the amount  
21 specified in W.S. 9-3-413.1(b)(iii) of the contract  
22 employee's salary shall be paid by the livestock board  
23 unless specified otherwise by legislative act.

1

2           **9-3-413. Employer's contributions; payable monthly;**  
3 **transfer to account; interest imposed upon delinquent**  
4 **contributions; recovery.**

5

6 Except as provided by W.S. 9-2-3207(a)(xi)(F)(III) or (IV),  
7 9-3-431 and 9-3-432, each employer, excluding employers of  
8 firefighter members, shall, on a monthly basis, pay into  
9 the account a contribution equal to ~~eight and sixty-two~~  
10 ~~hundredths percent (8.62%) of the salary paid to each of~~  
11 ~~its members covered under this article for the period from~~  
12 ~~September 1, 2018 through June 30, 2019, eight and~~  
13 ~~eighty-seven hundredths percent (8.87%) of the salary paid~~  
14 ~~for the period from July 1, 2019 through June 30, 2020,~~  
15 ~~nine and twelve hundredths percent (9.12%) of the salary~~  
16 ~~paid for the period from July 1, 2020 through June 30, 2021~~  
17 ~~and thereafter~~ nine and thirty-seven hundredths percent  
18 (9.37%) of the salary paid to each of its members covered  
19 under this article for the period from July 1, 2021 through  
20 June 30, 2026 and thereafter a percentage of the salary  
21 paid as determined in accordance with W.S. 9-3-413.1.

22 Employers of firefighter members shall pay into the account  
23 a contribution equal to seven and twelve hundredths percent

1 (7.12%) of the salary paid. Employer contributions for any  
2 month, together with the members' contributions for that  
3 month, if any, shall be transferred to the board not later  
4 than the twelfth day of the following month. These  
5 contributions shall be credited to the account in a manner  
6 as directed by the board. Any employer failing to transfer  
7 contributions under this section in sufficient time for the  
8 board to receive the contributions by the twenty-fifth day  
9 of the month due shall be assessed interest at the assumed  
10 rate of return as determined by the board, compounded  
11 annually. Interest imposed under this section shall be  
12 payable not later than the twelfth day of the next  
13 succeeding month. If the contributions and any interest  
14 imposed under this section are not transferred to the board  
15 when due, they may be recovered, together with court costs,  
16 in an action brought for that purpose in the first judicial  
17 district court in Laramie County, Wyoming.

18

19 **9-3-414. Provision for employers' contributions to be**  
20 **made in budgets; notice to department heads.**

21

22 Subject to W.S. 9-3-413.1, provision for the payment by  
23 employers of the employers' contributions under this

1 article shall be made in the budgets of the several  
2 departments, divisions and subdivisions of the state  
3 government and of other employer units. At least thirty  
4 (30) days prior to the date for submission of departmental  
5 budgets to the state budget officer, the Wyoming retirement  
6 board shall notify all department heads that it will be  
7 necessary to include funds in the departmental budget for  
8 the payment of employers' contributions under this article  
9 for the ensuing appropriation period.

10

11 **9-3-704. Employee contributions.**

12

13 (c) The contributions under subsection (b) of this  
14 section shall be paid from the source of funds which is  
15 used in paying salary to the employee. The employer may pay  
16 these contributions without offset of the employee's salary  
17 in the same salary percentage as provided by state  
18 employers under W.S. ~~9-3-412(e)~~9-3-413.1(b)(iii). The  
19 employer shall also reduce the cash salary of the employee  
20 by three and sixty-five hundredths percent (3.65%).

21

1           11-20-201. Designation of contract services to  
2 implement brand inspection laws; bond required; bond of  
3 inspectors; interstate cooperative agreements.

4  
5           (b) The agency, or the board may contract for  
6 inspectors as the board deems necessary to carry out  
7 specified duties. The board may contract for inspectors  
8 through an individual at-will contract. The board may  
9 contract to provide the inspector salary, mileage, per diem  
10 and other necessary reimbursable expenses, membership in  
11 the state employees' and officials' group insurance plan in  
12 accordance with W.S. 9-2-3207(a)(xi)(F)(IV) and 9-3-207,  
13 and the state retirement system in accordance with W.S.  
14 9-2-3207(a)(xi)(F)(IV), ~~and~~ 9-3-412 and 9-3-413.1. The  
15 board shall be authorized to establish mileage rates  
16 without regard to the limitations provided in W.S. 9-3-103.  
17 During the time that inspectors are acting within the scope  
18 of their duties on behalf or in service of the state in  
19 their official capacity, inspectors are covered by the  
20 provisions of the Wyoming Governmental Claims Act, W.S.  
21 1-39-101 through 1-39-120, and the state self-insurance  
22 program, W.S. 1-41-101 through 1-41-111. It may assign  
23 inspectors inside or outside of this state as it deems

1 appropriate. A blanket bond or individual bonds shall be  
2 executed to the state with good and sufficient surety in an  
3 amount determined by the board, conditioned for the full  
4 and faithful performance and discharge of the inspector's  
5 duties. The bond shall be approved by and filed in the  
6 office of the board.

7

8 **21-3-314. Students counted among district ADM;**  
9 **determination of charter school funding.**

10

11 (c) The charter school shall be entitled to the  
12 following amounts:

13

14 (v) One hundred percent (100%) of the amount  
15 expended by the charter school that is eligible for  
16 reimbursement by the department of education under W.S.  
17 9-3-413 and 9-3-413.1.

18

19 **21-13-320. Student transportation; amount within**  
20 **school foundation program formula for transportation**  
21 **maintenance and operations expenditures and school bus**  
22 **purchases; district reporting requirements.**

23

1 (f) The department of education shall adopt necessary  
2 rules and regulations to implement and enforce state  
3 standards established under this section and to administer  
4 this section. District expenditures computed under  
5 subsection (b) of this section shall not include  
6 expenditures for employee contributions to the Wyoming  
7 retirement system exceeding ~~five and fifty-seven hundredths~~  
8 ~~percent (5.57%)~~ the amount specified in W.S.  
9 9-3-413.1(b)(iii) of any member employee's salary. In  
10 addition, the department shall, in accordance with  
11 procedures prescribed by department rule and regulation,  
12 establish a base price for each school bus type or other  
13 student transportation vehicle type for the applicable  
14 fiscal period that complies with minimum state standards  
15 for vehicle specifications and equipment. The department  
16 shall also establish a process including competitive  
17 bidding which guarantees the acquisition of school buses  
18 and other student transportation vehicles approved for  
19 reimbursement and complying with state minimum standards  
20 and district fleet size restrictions at the established  
21 base price for the applicable fiscal year. Department rules  
22 shall establish appropriate restrictions on how and under  
23 which conditions a school district may procure a school bus

1 or other student transportation vehicle, either through  
2 purchase or lease, to ensure that the procurement method  
3 used is the most cost effective. School districts shall  
4 notify the department of school bus and other student  
5 transportation vehicle needs and requirements for the  
6 appropriate fiscal year in the manner and within the times  
7 prescribed by department rule and regulation, and shall  
8 report expenditures, purchases and lease arrangements for  
9 the applicable reporting period, including vehicles  
10 replaced by purchases and leases, as required by department  
11 rule and regulation. The department shall annually review  
12 and conduct audits as necessary of information submitted  
13 under this section. As authorized under W.S. 21-13-307(b),  
14 the department may correct the information reported by  
15 districts under this section as necessary to fairly and  
16 accurately reflect the data type, classification and format  
17 required to administer this section in accordance with law  
18 and department rules and regulations.

19

20 **21-13-321. Special education; amount provided for**  
21 **special education programs and services; district reporting**  
22 **requirements; billing for Medicaid authorized school based**  
23 **services.**

1

2 (d) The department of education shall adopt necessary  
3 rules and regulations to implement and administer this  
4 section. Districts shall report special education program  
5 expenditures for the applicable reporting period as  
6 required by department rule and regulation. District  
7 expenditures computed under subsection (b) of this section  
8 shall not include expenditures for employee contributions  
9 to the Wyoming retirement system exceeding ~~five and~~  
10 ~~fifty seven hundredths percent (5.57%)~~ the amount specified  
11 in W.S. 9-3-413.1(b)(iii) of any member employee's salary.  
12 The department shall annually review and report to the  
13 joint education interim committee regarding services  
14 provided to special education students by school districts.  
15 In addition, the department shall when necessary, conduct  
16 audits of information submitted by districts under this  
17 section and may, in accordance with W.S. 21-13-307(b),  
18 correct the information reported by districts as necessary  
19 to fairly and accurately reflect the data type,  
20 classification and format required to administer this  
21 section in accordance with law and department rule and  
22 regulation.

23

