

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Wyoming retirement plans-contributions.

Sponsored by: HDraft Committee

A BILL

for

1 AN ACT relating to public employees; increasing employee
2 contributions for law enforcement officers under the
3 Wyoming Retirement Act; increasing employee contributions
4 under the Wyoming State Highway Patrol, Game and Fish
5 Warden and Criminal Investigator Retirement Act; requiring
6 the increased employee contributions to be paid through a
7 reduction in cash salary of the employee; repealing archaic
8 provisions; and providing for an effective date.

9

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

11

12 **Section 1.** W.S. 9-3-432(a) and (b), 9-3-604(a) and
13 (c)(ii) are amended to read:

1

2 **9-3-432. Law enforcement officers; contributions;**
3 **benefit eligibility; service and disability benefits; death**
4 **benefits; benefit options.**

5

6 (a) Each law enforcement officer shall pay into the
7 account ~~eight and six-tenths percent (8.6%)~~ nine and six-
8 tenths percent (9.6%) of his salary for the period from
9 July 1, 2020 through June 30, 2021, ten and six-tenths
10 percent (10.6%) of his salary for the period from July 1,
11 2021 through June 30, 2022, and thereafter eleven and six-
12 tenth percent (11.6%) of his salary to fund benefits
13 provided to law enforcement officers. Any contribution
14 required under this subsection or subsection (b) of this
15 section shall be paid by the employer from the source of
16 funds used to pay officer salaries in order to be treated
17 as employer contributions for the sole purpose of
18 determining tax treatment under the United States Internal
19 Revenue Code, § 414(h). These payments by the employer are
20 subject to W.S. 9-3-412(c).

21

22 (b) Each employer of a law enforcement officer
23 covered under this article shall pay into the account a

1 contribution equal to eight and six-tenths percent (8.6%)
2 of the salary paid to each of its law enforcement officers
3 covered under this article and subject this this section,
4 may pay into the account ~~any amount~~ a portion of the
5 officer's share of contributions under subsection (a) of
6 this section. Payments under this subsection shall be made
7 monthly to the account in accordance with W.S. 9-3-413 and
8 are subject to the penalties imposed under W.S. 9-3-413 for
9 delinquent contributions. No additional contribution shall
10 be imposed upon the state, any city, town or county for
11 benefits provided law enforcement officers under this
12 article. For law enforcement officers covered under this
13 article, for the period from July 1, 2020 through June 30,
14 2021 at least one percent (1%) of the law enforcement
15 officer's contribution, for the period from July 1, 2021
16 through June 30, 2022 at least two percent (2%) of the law
17 enforcement officer's contribution and thereafter three
18 percent (3%) of the law enforcement officer's contribution
19 shall be paid through a reduction in cash salary of the law
20 enforcement officer unless specified otherwise by
21 legislative act.

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23 *****
24 *****

STAFF COMMENT

W.S. 9-3-432 governs contribution rates for law enforcement members covered by the Wyoming Retirement Act, i.e., the "Law Enforcement Plan." According to the Wyoming Retirement System, the funded ratio for this plan is 86.5%, with a projected 30 year funded ratio of 75%. The 3% employee contribution increase under this bill draft would raise total contributions from the current rate of 17.2% to 20.2% of each member's salary.

9-3-604. Employee contributions.

(a) Except as otherwise provided in this section, every employee covered by this article shall pay into the fund ~~thirteen and fifty-four hundredths percent (13.54%) of his salary from September 1, 2013 through June 30, 2014, and thereafter fourteen and fifty-six hundredths percent (14.56%) of his salary. For the period from September 1, 2013 through June 30, 2014 forty-five hundredths percent (.45%), for the period from July 1, 2014 through June 30, 2016 ninety-six hundredths percent (.96%) and for the period from July 1, 2016 through June 30, 2017, fifty-one hundredths percent (.51%) salary contribution required by this subsection shall be paid by the employer on behalf of the member. To the extent the remaining amount is not paid by an employer on behalf of the member, this payment shall~~

1 ~~be deducted each pay period from employees' salaries by the~~
2 ~~respective chief fiscal officers of the employers. fifteen~~
3 ~~and fifty-six hundredths percent (15.56%) of his salary for~~
4 ~~the period from July 1, 2020 through June 30, 2021, sixteen~~
5 ~~and fifty-six hundredths percent (16.56%) of his salary for~~
6 ~~the period from July 1, 2021 through June 30, 2022,~~
7 ~~seventeen and fifty-six hundredths percent (17.56%) of his~~
8 ~~salary for the period from July 1, 2022 through June 30,~~
9 ~~2023 and thereafter eighteen and fifty-six hundredths~~
10 ~~percent (18.56%) of his salary.~~

11

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

19

20 (ii) Except as otherwise provided in this
21 paragraph, any employer may pay ~~any amount~~ a portion of an
22 employee's share of retirement contributions without a
23 salary reduction or offset, or combination thereof. ~~For~~

~~the period from July 1, 2012 through June 30, 2014, at least one and sixty-two hundredths percent (1.62%), for the period from July 1, 2014 through June 30, 2016 at least one and ninety-six hundredths percent (1.96%), for the period from July 1, 2016 through June 30, 2017 at least two and thirty hundredths percent (2.30%) and thereafter at least two and sixty-four hundredths (2.64%)~~ For the period from July 1, 2020 through June 30, 2021 at least three and sixty-four hundredths percent (3.64%) of the employee's share of retirement contributions, for the period from July 1, 2021 through June 30, 2022 at least four and sixty-four hundredths percent (4.64%) of the employee's share of retirement contributions, for the period from July 1, 2022 through June 30, 2023 at least five and sixty-four hundredths percent (5.64%) of the employee's share of retirement contributions and thereafter at least six and sixty-four hundredths percent (6.64%) of the employee's share of retirement contributions shall be paid through a reduction in cash salary of the employee unless specified otherwise by legislative act.

STAFF COMMENT

1 W.S. 9-3-604 governs employee contribution rates for
2 members covered by the Wyoming State Highway Patrol, Game
3 and Fish Warden and Criminal Investigator Retirement Act,
4 i.e., the "Warden, Patrol & DCI Plan." The funded ratio for
5 this plan is 76.5%, with a projected 30 year funded ratio
6 of 78%. The 4% employee contribution increase under this
7 bill draft would raise contributions from the current rate
8 of 29.44% to 33.44% of each member's salary.

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11 *****

12 Section 2. This act is effective July 1, 2020.

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14 (END)