

HOUSE BILL NO. HB0111

State retirement plans-adjustments.

Sponsored by: Representative(s) Henderson, Barlow,
Harshman, Olsen and Sweeney and Senator(s)
Pappas

A BILL

for

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

10

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

12

13 **Section 1.**

14

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

1

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

5

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

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11 (b) The legislature finds:

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

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

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

5

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

13

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

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

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 Wyoming retirement board shall review the
16 findings underlying the enactment of 2012 Wyoming Session
17 Laws, Chapter 107 and report to the joint appropriations
18 committee:

19

20 (i) Subsequent legislative and board actions
21 that 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, contribution rates and pay provisions for
11 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 under each plan.

15

16 (vi) Amounts 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 that are not
21 currently provided in law;

22

1 (vii) Recommended modifications to law to
2 provide conditions under which any benefit adjustment may
3 be 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.

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14 (viii) Any additional relevant information or
15 recommendations the board deems necessary or appropriate.

16

17 (b) At the request of the Wyoming retirement board,
18 the volunteer firefighter, EMT and search and rescue
19 pension board shall assist and provide any information
20 necessary to complete the report required under subsection
21 (a) of this section.

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1 (c) The report required by this section shall be
2 submitted not later than September 1, 2022.

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4 (d) The joint appropriations committee shall consider
5 the recommendations of the Wyoming retirement board and may
6 develop legislation as the committee determines appropriate
7 for introduction in the 2023 general session.

8

9 **Section 3.** As used in sections 1 and 2 of this act
10 "public employee retirement plan" or "retirement plan"
11 includes all plans administered by the Wyoming retirement
12 board, the volunteer firefighter, EMT and search and rescue
13 pension plan administered by the volunteer firefighter, EMT
14 and search and rescue pension board under W.S. 35-9-616
15 through 35-9-628 and the paid firemen plan A administered
16 by the Wyoming retirement board under W.S. 15-5-201 through
17 15-5-209.

18

19 **Section 4.** Two (2), single, additional payments shall
20 be made, one (1) on or before July 1, 2022, and one (1) on
21 or before July 1, 2023, to each eligible person receiving a
22 service pension, survivor's pension, retirement benefit,
23 survivor benefit, death benefit or disability pension or

1 benefit under the Wyoming Retirement Act, the Wyoming State
2 Highway Patrol, Game and Fish Warden and Criminal
3 Investigator Retirement Act or the Firemen's Pension
4 Account Reform Act of 1981 as provided in this section. The
5 additional payments shall be limited to persons who first
6 began receiving the applicable benefit or pension payment
7 prior to July 1, 2021, either alone or in combination with
8 a member or retired or disabled employee if the person is a
9 survivor. If the person is a survivor, the applicable
10 benefit date for the benefit or pension payment shall be
11 based on the initial retirement or disability benefit of
12 the pertinent member. Each additional payment to an
13 eligible person shall be calculated by multiplying the
14 eligible person's existing annual benefit by one-tenth of
15 one percent (0.1%) for each year his retirement or
16 disability benefit was effective prior to July 1, 2021, or
17 if the person is a survivor for each year the pertinent
18 member's or employee's benefit was effective prior to July
19 1, 2021, up to a maximum amount of three percent (3%) of
20 the existing annual benefit. The two (2) payments under
21 this section shall not be ongoing or cumulative.

22

1 **Section 5.** For the two (2) payments required under
2 section 4 of this act, there is appropriated twelve million
3 six hundred sixty-five thousand seven hundred eight dollars
4 (\$12,665,708.00) from the legislative stabilization reserve
5 account to the Wyoming retirement board. This appropriation
6 shall not be transferred or expended for any other purpose
7 and any unexpended, unobligated funds remaining from this
8 appropriation shall revert as provided by law on June 30,
9 2024.

10

11 **Section 6.** This act is effective immediately upon
12 completion of all acts necessary for a bill to become law
13 as provided by Article 4, Section 8 of the Wyoming
14 Constitution.

15

(END)