



To: Summit County Council

From: Lisa Hoffman, Assistant General Manager

Date: October 26, 2022

Subject: Personnel Policy Revision; Section 9

Recommended Action

The District's Administrative Control Board (ACB) recommends the Summit County Council approve the change to Section 9 of the District's Personnel Policies regarding ACB board members ineligibility for Tier 2 URS benefits.

Background

Every three to four years the Utah Retirement System (URS) conducts compliance audits of participating organizations to confirm established policies and procedures for administering the retirement plan are being followed in accordance with Title 49, the Utah State Retirement, and Insurance Benefit Act.

The District completed a compliance audit in September 2022 and one finding was made under Utah Code 49-22-102(6)(b), which requires employers to officially designate Tier 2 elected officials and appointive officer positions as full-time eligible or part-time ineligible.

The District has always considered board members as part-time, non-employees and designated them as ineligible for URS benefits. However, it has not been stated exactly as such in District Personnel Policies.

Accordingly, behind this memo please find the red-line change to Section 9 of the Personnel Policies indicating board members are ineligible for URS Tier 2 benefits.

David Warnock and Dave Thomas have reviewed and approve of this change.

- i. As long as the defined benefit rate remains below 10 percent, employees will receive the difference between the 10 percent and the required contribution rate into a 401(k) account administered by the URS.
 - ii. If the defined benefit rate reaches or exceeds 10 percent, employees will no longer receive any of this excess amount into a 401(k) account. In addition, if the defined benefit rate exceeds 10 percent employees will be required to pay the portion of the contribution rate above these rates.
- i. Benefits Paid:
- a. The amount of benefit paid is determine by your
 - i. Hire date,
 - ii. Age,
 - iii. Years of service credit,
 - iv. Final average salary, and
 - v. A benefit formula designed by the URS
- j. Benefit Protection: The District participates in a Benefit Protection program with URS which allows service credit to continue accruing for both Tier 1 and Tier 2 employees as follows:
- i. During periods of short-term disability (up to 90 days) credit for service in the URS system will continue while the employee is on short-term disability leave.
 - ii. During periods of long-term disability (90-180 days) credit for service in the URS system will continue while the employee is on long-term disability.
 - iii. Worker's Compensation injury. In the event an employee is involved in an industrial accident and eligible for Worker's Compensation coverage consistent with Section 16 of these Policies, URS service credit will continue for the employee for the duration of the coverage up to 180 days.
- k. District Board members are considered part-time appointive officers and therefore ineligible for Tier 2 URS benefits.
2. 403(b) Program: The District provides a 403(b) plan to Qualifying Employees to provide them with the opportunity to save for retirement on a tax-advantaged basis and to provide additional income for retirement. This Plan is a type of retirement plan commonly referred to as a 403(b)

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