

URS Fiscal Analysis of 2015 1st Substitute H.B. 137

Summary of Fiscal Impact

If enacted, 1st Substitute H.B. 137, Change to Mandatory Retirement Age for Judges, does not have a fiscal impact on the Utah Retirement Systems (URS).

Proposed Legislative Provisions

1st Substitute H.B. 137 increases the mandatory retirement age for active members in the judges' retirement systems from 75 to 80 years of age.

Discussion and Actuarial Analysis

As of the last actuarial valuation performed on January 1, 2014, there were 111 active judges. As of that date, there were four judges age 70 or older. All four of these judges were immediately eligible to commence their retirement benefit. The census data the actuary has on file does not provide information on members who may be working after retirement.

The actuary has demonstrated with analysis for other legislation that having plan provisions that encourage active members to retire at an earlier retirement age increases the cost of maintaining the retirement system. Increasing the mandatory retirement age can have the opposite effect. However, since the vast majority of judges commence their retirement benefit before the current mandatory retirement age of 75, the actuary does not believe that increasing the mandatory retirement age will influence future behavior in retirement patterns. For these reasons, 1st Substitute H.B. 137 is not expected to have a fiscal impact on the judges' retirement systems.