

URS Fiscal Analysis of 2015 H.B. 137

Summary of Fiscal Impact

If enacted, 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

H.B. 137 removes the age 75 mandatory retirement age for active members in the judges' retirement systems.

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. The removal of a 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 the removal of the mandatory retirement provision will influence future behavior in retirement patterns. For these reasons, H.B. 137 is not expected to have a fiscal impact on the judges' retirement systems.