

HOUSE BILL NO. HB0062

Retirement-law enforcement.

Sponsored by: Joint Judiciary Interim Committee

A BILL

for

1 AN ACT relating to the Wyoming retirement system;
 2 establishing additional benefits and contributions for law
 3 enforcement officers as specified; expanding scope of
 4 covered law enforcement officers; defining and specifying
 5 eligibility; clarifying retirement system provisions
 6 accordingly; providing for transfer of eligible officers
 7 and expansion of benefits within specified time period;
 8 conditioning implementation upon receipt of required
 9 payments and transfer of covered officers as specified;
 10 specifying state responsibilities with respect to funding;
 11 providing an appropriation; and providing for an effective
 12 date.

13

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

15

16 **Section 1.** W.S. 9-3-432 is created to read:

17

1 **9-3-432. Law enforcement officers; contributions;**
2 **benefit eligibility; service and disability benefits; death**
3 **benefits; benefit options.**

4
5 (a) Each law enforcement officer shall pay into the
6 account eight and six-tenths percent (8.6%) of his salary
7 to fund benefits provided to law enforcement officers. Any
8 contribution required under this subsection or subsection
9 (b) of this section shall be paid by the employer from the
10 source of funds used to pay officer salaries in order to be
11 treated as employer contributions for the sole purpose of
12 determining tax treatment under the United States Internal
13 Revenue Code, § 414(h). These payments by the employer are
14 subject to W.S. 9-3-412(c).

15
16 (b) Each employer of a law enforcement officer
17 covered under this article shall pay into the account a
18 contribution equal to eight and six-tenths percent (8.6%)
19 of the salary paid to each of its law enforcement officers
20 covered under this article and may pay into the account any
21 amount of the officer's share of contributions under
22 subsection (a) of this section. Payments under this
23 subsection shall be made monthly to the account in
24 accordance with W.S. 9-3-413 and are subject to the

1 penalties imposed under W.S. 9-3-413 for delinquent
2 contributions. No additional contribution shall be imposed
3 upon the state, any city, town or county for benefits
4 provided law enforcement officers under this article.

5

6 (c) Normal retirement benefits are payable under this
7 section to any law enforcement officer who:

8

9 (i) Has at least four (4) years of service
10 credit as a law enforcement officer and is at least sixty
11 (60) years of age; or

12

13 (ii) Has at least twenty (20) years of service
14 credit as a law enforcement officer regardless of age.

15

16 (d) Early retirement benefits are payable to any law
17 enforcement officer who has at least four (4) years but
18 less than twenty (20) years of service credit and is at
19 least fifty (50) years of age.

20

21 (e) The normal retirement benefit for a law
22 enforcement officer under this section is equal to two and
23 one-half percent (2.5%) of the highest average salary
24 multiplied by the years of the officer's service credit, as

1 determined under W.S. 9-3-417. The benefit under this
2 subsection shall not exceed seventy-five percent (75%) of
3 the officer's highest average salary. Notwithstanding W.S.
4 9-3-402(a)(xix), "highest average salary" as used in this
5 section means the average annual salary of a law
6 enforcement officer for the highest paid five (5)
7 continuous years of service.

8

9 (f) The early retirement benefit payable under
10 subsection (d) of this section is equal to the normal
11 retirement benefit payable under subsection (e) of this
12 section reduced to an actuarial equivalent amount as
13 prescribed by rule and regulation of the board.

14

15 (g) Notwithstanding W.S. 9-3-419(b) and on July 1 of
16 each year, benefits provided under this section shall be
17 increased by two percent (2%) for individuals who have been
18 receiving benefits under this section or W.S. 15-5-301
19 through 15-5-314 for at least two (2) years, either alone
20 or in combination with an officer, if the individual is a
21 survivor.

22

23 (h) Notwithstanding W.S. 9-3-422, any law enforcement
24 officer in service for which contributions have been paid

1 because of illness or injury in the scope of employment or
2 because of illness or injury outside of the scope of
3 employment, may retire on account of a total or partial
4 disability in accordance with rules and regulations adopted
5 by the board. The board shall determine mental or physical
6 incapacitation for disability retirement under this section
7 in accordance with W.S. 9-3-422(a) and rules and regulation
8 of the board, and the cost of any required examination or
9 test shall be paid as provided by W.S. 9-3-422 and rule and
10 regulation of the board. Any law enforcement officer
11 receiving a disability benefit under this section is
12 subject to reporting, evaluation and excess earnings
13 deduction requirements imposed under W.S. 9-3-423 and rule
14 and regulation of the board. Upon retirement for a
15 disability as determined and for which a member qualifies
16 under this section, a law enforcement officer shall for the
17 life of the officer or until the officer is no longer
18 disabled, receive:

19

20 (i) For a partial or total disability incurred
21 in the scope of employment, a monthly retirement benefit
22 for the period of qualified disability equal to sixty-two
23 and one-half percent (62.5%) of his salary at the time the
24 disability was incurred;

1

2 (ii) For a partial or total disability incurred
3 outside of the scope of employment, a monthly retirement
4 benefit for the period of qualified disability equal to
5 fifty percent (50%) of his salary at the time the
6 disability was incurred.

7

8 (j) Notwithstanding W.S. 9-3-421, any surviving
9 spouse of an officer who dies in the scope of employment
10 shall receive a monthly payment equal to sixty-two and one-
11 half percent (62.5%) of the officer's salary at the time of
12 death, plus six percent (6%) of that salary for each child
13 under age eighteen (18), not to exceed one hundred percent
14 (100%) of the officer's salary. Any surviving spouse of an
15 officer who dies outside of the scope of employment shall
16 receive a monthly payment equal to fifty percent (50%) of
17 the officer's salary at the time of death, plus six percent
18 (6%) of that salary for each child under age eighteen (18),
19 not to exceed one hundred percent (100%) of the officer's
20 salary. Notwithstanding any other provision in this
21 subsection, any surviving spouse of any officer who retired
22 under W.S. 15-5-301 through 15-5-314 shall receive a
23 monthly pension equal to two-thirds (2/3) of the pension
24 the retired police officer was receiving at the time of his

1 death, plus sixty dollars (\$60.00) for each child under age
2 eighteen (18), not to exceed one hundred percent (100%) of
3 the officer's salary.

4
5 (k) Except as provided by subsection (j) of this
6 section, benefits specified under W.S. 9-3-421 apply to
7 beneficiaries of a deceased officer covered under this
8 article.

9
10 (m) Instead of the service retirement benefits
11 provided under this section, any officer may elect one (1)
12 of the forms of retirement benefits specified under W.S.
13 9-3-420. Unless otherwise provided by a benefit option
14 selected by the officer under W.S. 9-3-420, if an officer
15 receiving benefits or his beneficiary receiving benefits
16 under this section dies before the total amount of benefits
17 paid to either the member or his beneficiary or both equals
18 the amount of the officer's account at retirement, then the
19 excess, if any, shall be paid to any other named
20 beneficiary, if any, or to the officer's estate.

21
22 **Section 2.** W.S. 9-3-402(a)(xviii), 9-3-405(a)(ii)(B)
23 and (C), 9-3-412(a), 9-3-413, 9-3-415(a)(intro) and (b),
24 9-3-416, 9-3-417(a), 9-3-418(e), 9-3-419(b)(intro),

1 9-3-420(c), 9-3-422(a) and (b), 9-3-424(a) and 9-3-430 by
2 creating a new subsection (d) are amended to read:

3

4 **9-3-402. Definitions.**

5

6 (a) As used in this article:

7

8 (xviii) "Law enforcement officer" or "officer"
9 means any member who is a county sheriff, deputy county
10 sheriff, municipal police officer, duly authorized
11 investigator of the Wyoming livestock board meeting the
12 specifications of W.S. 7-2-101(a)(iv)(E), Wyoming
13 correctional officer, Wyoming law enforcement academy
14 instructor, University of Wyoming campus police officer,
15 ~~jailer~~ detention officer or dispatcher for law enforcement
16 agencies;

17

18 **9-3-405. Retirement board duties and powers.**

19

20 (a) In addition to any other duties prescribed by
21 law, the board shall:

22

23 (ii) At the request of any city, town or county
24 not covered by the state retirement system, negotiate terms

1 and conditions through which the city, town or county and
2 its employees could become members of the state retirement
3 system in accordance with the following terms and
4 conditions:

5
6 (B) Liabilities for any city, town or
7 county's employees' service rendered prior to affiliation
8 with the retirement system and credited by the local
9 retirement program shall be ~~amortized over a period not to~~
10 ~~exceed thirty (30) years, payable by the city, town or~~
11 ~~county in level dollar payments. The liabilities shall be~~
12 determined according to procedures the board adopts after
13 consultation with the system actuary;

14
15 (C) Excluding law enforcement officers, the
16 service rendered by any city, town or county's employees
17 prior to affiliation with the retirement system and which
18 may be credited toward retirement under the retirement
19 system shall not exceed ten (10) years and shall be the
20 shorter of ten (10) years or the period from July 1, 1971
21 to the entry date of the political subdivision into the
22 retirement system. Service rendered by any city, town or
23 county law enforcement officer prior to affiliation with
24 the retirement system and which may be credited toward

1 retirement under W.S. 9-3-432 shall include all years
2 served as a law enforcement officer with that city, town or
3 county. Effective July 1, 2002, any city, town or county
4 that elects to have its law enforcement officers covered
5 under W.S. 9-3-432, if such law enforcement officers were
6 not participating in a pension fund pursuant to W.S.
7 15-5-301 prior to July 1, 2002, shall be subject to the
8 following:

9
10 (I) The city, town or county shall
11 contribute funds in an amount equivalent to one-half (1/2)
12 the cost of each officer's prior service credits with the
13 city, town or county;

14
15 (II) The city, town or county may
16 require the officer to contribute the amount specified in
17 subdivision (I) of this subparagraph as a condition of
18 participation in the election to be covered under W.S.
19 9-3-432;

20
21 (III) The state shall contribute funds
22 in an amount equivalent to one-half (1/2) the cost of each
23 officer's prior service with the city, town or county.

24

1 **9-3-412. Members' contributions; payroll deductions;**
2 **employer authorized to pay employee's share.**

3
4 (a) Except as otherwise provided in this section and
5 W.S. 9-3-431 and 9-3-432, every member covered under this
6 article and firefighter members, shall pay into the account
7 five and fifty-seven hundredths percent (5.57%) of his
8 salary. Payments shall be deducted each pay period from
9 each member's salary by the chief fiscal officer of each
10 participating employer.

11
12 **9-3-413. Employer's contributions; payable monthly;**
13 **transfer to account; interest imposed upon delinquent**
14 **contributions; recovery.**

15
16 Except as provided by W.S. 9-2-1022(a)(xi)(F)(III) or (IV),
17 ~~and W.S.~~ 9-3-431 and 9-3-432, each employer including
18 employers of firefighter members, shall on a monthly basis,
19 pay into the account a contribution equal to five and
20 sixty-eight hundredths percent (5.68%) of the salary paid
21 to each of its members covered under this article and may
22 on a monthly basis, pay into the account any amount of the
23 members' share of retirement contributions. Employer
24 contributions for any month, together with the members'

1 contributions for that month, if any, shall be transferred
2 to the board not later than the twelfth day of the
3 following month. These contributions shall be credited to
4 the account in a manner as directed by the board. Any
5 employer failing to transfer contributions under this
6 section in sufficient time for the board to receive the
7 contributions by the twenty-fifth day of the month due
8 shall be assessed interest at the rate of eight percent
9 (8%) per annum. Interest imposed under this section shall
10 be payable not later than the twelfth day of the next
11 succeeding month. If the contributions and any interest
12 imposed under this section are not transferred to the board
13 when due, they may be recovered, together with court costs,
14 in an action brought for that purpose in the first judicial
15 district court in Laramie County, Wyoming.

16

17 **9-3-415. When retirement permitted; service credit.**

18

19 (a) Except as provided under subsection (f) of this
20 section, ~~and~~ W.S. 9-3-431 and 9-3-432, normal retirement
21 benefits under the system are payable to a member who:

22

23 (b) Except as provided under W.S. 9-3-432, early
24 retirement benefits are payable to a member who has at

1 least four (4) years of service and is at least fifty (50)
2 but not yet sixty (60) years of age or has at least
3 twenty-five (25) years of service and is not yet fifty (50)
4 years of age. The early retirement benefit amount is equal
5 to the normal retirement benefit amount otherwise payable
6 reduced on an actuarial equivalent basis under rules
7 established by the board.

8

9 **9-3-416. Members leaving service without withdrawing**
10 **accumulated contributions eligible for retirement.**

11

12 Except for law enforcement officers, any member who has
13 left service without withdrawing his accumulated
14 contributions and who has a minimum of four (4) years of
15 service is eligible to receive a retirement benefit
16 computed according to the terms of this article, at the age
17 specified in W.S. 9-3-415(a) or (b). Law enforcement
18 officers leaving service without withdrawing accumulated
19 contributions and who have a minimum of four (4) years of
20 service may receive a retirement benefit amount in
21 accordance with W.S. 9-3-432.

22

1 **9-3-417. Determination of eligibility for retirement;**
2 **board to determine equivalent of years of service; credit**
3 **for military service.**

4
5 (a) The board shall determine the total years of
6 service creditable to each member for the purpose of
7 determining eligibility for retirement under this article
8 including law enforcement officers for retirement under
9 W.S. 9-3-432. It may require members to file detailed
10 statements of all service as a covered member and to give
11 other necessary information as a condition to the receipt
12 of benefits under this article.

13

14 **9-3-418. Amount of service retirement benefit;**
15 **firefighter members excluded.**

16

17 (e) This section does not apply to any firefighter
18 member covered and vested under W.S. 9-3-431 or any law
19 enforcement member covered and vested under W.S. 9-3-432.

20

21 **9-3-419. Retirement benefit adjustments.**

22

23 (b) Effective July 1, 2001 and on each July 1
24 thereafter, and except as provided for law enforcement

1 officers under W.S. 9-3-432, any retirement benefit,
2 survivor benefit or disability benefit received by eligible
3 individuals under this article shall be adjusted as
4 follows:

5

6 **9-3-420. Option as to form of benefit; beneficiary**
7 **designations.**

8

9 (c) The retirement benefits payable under optional
10 forms available under this section shall be the actuarial
11 equivalent amount of the normal benefit form under W.S.
12 9-3-415 and, if applicable, 9-3-431, ~~if applicable~~ and
13 9-3-432.

14

15 **9-3-422. Disability retirement; board determination;**
16 **reports and examinations; amount; options as to form of**
17 **benefit.**

18

19 (a) Except as specified for law enforcement officers
20 under W.S. 9-3-432, any member in service who has ten (10)
21 or more years of service credit during which contributions
22 have been paid because of illness or injury outside of or
23 in the scope of employment, ~~or any law enforcement officer~~
24 ~~in service for whom contributions have been paid because of~~

1 ~~injury in the scope of employment,~~ or any firefighter
2 member in service for whom contributions have been paid
3 because of injury in the scope of employment, may retire on
4 account of a total or partial disability in accordance with
5 rules and regulations adopted by the board. In determining
6 mental or physical incapacitation for disability retirement
7 under this section, the board may require physician
8 reports, medical examinations, functional capacity
9 evaluations, vocational examinations and other necessary
10 reports and examinations for purposes of this section. The
11 costs of any functional capacity evaluation, vocational
12 examination or other specialized test required under this
13 subsection shall be paid from the retirement account.

14

15 (b) Upon retirement for a total disability and except
16 as provided under W.S. 9-3-431(f) and 9-3-432(h), a member
17 shall receive a monthly disability retirement benefit for
18 the period of his disability equal to one hundred percent
19 (100%) of his service retirement benefit under this article
20 as if the member was eligible for normal retirement
21 benefits. Upon retirement for a partial disability, a
22 member shall receive a monthly disability retirement
23 benefit for the period of his disability equal to fifty
24 percent (50%) of the normal retirement benefit payable to

1 the member as if the member were eligible for normal
2 retirement benefits. Disability benefits are payable for
3 the life of the member or until the member is no longer
4 disabled.

5

6 **9-3-424. Refund of contributions upon termination of**
7 **employment; procedure; redeposit; limitation on refund.**

8

9 (a) Except as provided in subsection (b) of this
10 section, any member covered by this article, including an
11 at-will contract employee under W.S.
12 9-2-1022(a)(xi)(F)(III) or (IV), who terminates his
13 employment or any employee of the agricultural extension
14 service of the University of Wyoming who has not elected to
15 continue to be covered by this article is entitled to a
16 refund of his account. In addition, any member who is
17 entitled to a refund who is an at-will contract employee
18 under W.S. 9-2-1022(a)(xi)(F)(III), shall be entitled to a
19 refund of all contributions made to his account plus any
20 employer matching contributions made by that member. In
21 addition, any member who is entitled to a refund who is an
22 at-will contract employee under W.S.
23 9-2-1022(a)(xi)(F)(IV), shall be entitled to a refund of
24 all contributions made to his account including any

1 employer matching contributions made by that member. The
2 refunds shall be made only upon written request to the
3 board. Any member who withdraws from the system under this
4 section shall forfeit all rights to further benefits,
5 employer matching contributions and service credit under
6 the system. Any person who later returns to service covered
7 by this article may redeposit the amount of the
8 contributions withdrawn, in lump sum, together with regular
9 interest, and upon earning not less than two (2) years
10 service credit, may reestablish his service credits as of
11 the time of withdrawal of his contributions. For service
12 prior to July 1, 2002, any law enforcement member covered
13 under W.S. 9-3-432 may redeposit the amount of
14 contributions withdrawn for service covered under W.S.
15 9-3-432, in a lump sum, together with regular interest and
16 the actuarial equivalent of the difference between the
17 benefit provided under W.S. 9-3-415 through 9-3-419 and the
18 benefit provided under W.S. 9-3-432, and upon earning not
19 less than two (2) years service credit, may reestablish his
20 service credit as of the time of withdrawal of his
21 contributions. Any redeposit payment pursuant to this
22 subsection shall be made not later than seven (7) years
23 following the date of reemployment or prior to retirement,
24 whichever first occurs.

1

2

9-3-430. Application for benefits; benefit payment effective dates; minimum distribution rules.

4

5

(d) This section applies to benefits payable under W.S. 9-3-432.

6

7

8

Section 3. W.S. 9-3-412(d) and 9-3-415(f) are repealed.

9

10

11

Section 4.

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23

(a) Except for the city of Cheyenne as provided under subsection (b) of this section, each city, town or county with law enforcement officers covered under the Wyoming retirement system or under a police pension fund established pursuant to W.S. 15-5-301 through 15-5-314 shall on or before June 30, 2003 transfer the covered officers for coverage under W.S. 9-3-432 or ensure retirement system coverage for its officers under W.S. 9-3-432, as applicable, as of the date of entry or expansion of coverage. In addition, all assets of any police pension fund shall be transferred by the city, town

1 or county to the retirement system not later than the date
2 of entry into the system.

3

4 (b) Notwithstanding subsection (a) of this section,
5 the police pension fund of the city of Cheyenne shall be
6 transferred to the retirement system on or before June 30,
7 2004, for purposes of W.S. 9-3-432 and 9-3-401 through
8 9-3-431, as applicable, provided the city pays for any
9 liability created under W.S. 15-5-301 through 15-5-314 and
10 for coverage of officers under the retirement system prior
11 to the date of transfer.

12

13 (c) Coverage of Wyoming law enforcement academy
14 instructors, investigators of the Wyoming livestock board
15 and Wyoming correctional officers under W.S. 9-3-432 as
16 created by section 1 of this act, and the transfer of law
17 enforcement officers covered under a police pension fund of
18 a city, town or county to coverage under W.S. 9-3-432, as
19 created by section 1 of this act, shall not be implemented
20 by the Wyoming retirement board until funds payable to the
21 Wyoming retirement system are received as required by this
22 section for deposit into the retirement account, as
23 necessary for maintaining the actuarial integrity of the
24 account and funding all liability arising under this act,

1 for years of service prior to the date of entry or
2 expansion of coverage.

3

4 (d) In addition to subsection (c) of this section,
5 W.S. 9-3-432, as created by section 1 of this act, shall
6 not be implemented by the Wyoming retirement board until
7 funds necessary for maintaining the actuarial integrity of
8 the account and funding any liability arising under this
9 act, are deposited into the Wyoming retirement account, and
10 contributions required under W.S. 9-3-432(a) and (b), as
11 created under section 1 of this act, are paid to the
12 Wyoming retirement system for deposit into the retirement
13 account for at least two (2) months of covered service
14 following the date of entry or expansion of coverage, as
15 applicable.

16

17 **Section 5.** It is the intention of the legislature
18 because the benefits of the law enforcement pension account
19 are mandated by state law, that the state of Wyoming fund
20 the unfunded accrued liability of the account. The
21 unfunded liability shall be amortized over a twenty (20)
22 year period with annual payments by the state to be in an
23 actuarially determined amount.

24

1 **Section 6.** For purposes of this act, five million
2 five hundred thousand dollars (\$5,500,000.00) is
3 appropriated from the general fund to the Wyoming
4 retirement account for the fiscal biennium beginning July
5 1, 2002.

6

7 **Section 7.** This act is effective July 1, 2002.

8

9

(END)