



SB532 – Revise Firefighters' Unified Retirement System Laws

The Public Employees' Retirement Board (PERB) originally rose in opposition to this bill. We have worked with the sponsor and the firefighters and have agreed to the amendments and now support the version in front of you today.

This bill proposes two provisions

1. Allows entities other than first and second class cities to join the Firefighters' Unified Retirement System (FURS).
2. Allows retirees to return to work for a fire department on a limited basis.

Allows other Cities to Join the FURS amendment also applies to rural fire districts

- ❖ The PERB supports this provision because new members do not create unfunded liability, **if** the new members pay the normal cost **and** the demographics are similar to the current membership.
- ❖ If a current PERS member elects to join the FURS and wishes to transfer PERS service to FURS, the member will pay the actuarial cost for equal service in the FURS.
- ❖ New members can benefit the system because the increased payroll contributes to an increase in contributions above the normal cost which is used to pay off the unfunded actuarial liability.
- ❖ The funded liability remains unchanged. The amortization period is decreased by 2.2 years.
- ❖ The cities pass a resolution to join the FURS.

Working Retirees

- ❖ Members working after retirement take the place of new hires and deprive the system of the member and employer contributions that would be made on the new hires' compensation. Therefore, less contribution income would be available to amortize the unfunded actuarial liability.
- ❖ We have worked with the sponsor and the firefighters to ensure that the amendment limits this provision and the subsequent impact to the system.

We would like to thank Senator Gallus and the members of the Firemen's Association for their cooperation and desire to maintain a healthy, actuarially funded retirement system.