

# State of Utah

## Personnel Services Summary

This section shows changes in employee compensation, current benefit rates, and estimated staff levels.





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## PERSONNEL SERVICES

### Overview

Article VII, Section 18, of the *Utah Constitution* requires that compensation for the Governor, Lieutenant Governor, State Auditor, State Treasurer, and Attorney General be set by law.

Section 67-8-5, Utah Code Annotated (UCA) allows the Judicial Compensation Commission to make compensation recommendations for elected officials and judicial branch officials.

Compensation for executive branch appointees is determined by the Governor within a range calculated by the Department of Human Resource Management (DHRM), as set forth by law. Judges and board or commission executives also receive compensation set by law.

Section 36-2-2, UCA prescribes the level of compensation paid to members of the Legislature. The salary for members of the Legislature is determined beginning January 1st of each odd-numbered year and based on the amount recommended by the Legislative Compensation Commission (LCC) in the preceding even-numbered year. The Legislature may accept, reject, or lower the LCC salary recommendation, but may not increase the salary recommendation. By law, the LCC's recommendations are enacted unless the Legislature takes other action.

Public education, higher education, and state employees compensation are determined by legislative intent and are limited by appropriation.

A bill passed during the 2010 General Session significantly alters retirement benefits for elected officials, appointees, and state employees.

Senate Bill 63, *New Public Employee's Tier II Contributory Retirement Act* (Liljenquist), changes retirement benefits by creating two tiers for retirement systems and plans.

Elected and appointed office holders and state employees who enter state service before July 1, 2011 remain on existing systems and plans, now known as Tier I retirement systems and plans.

All elected and appointed office holders and state employees who enter state service on or after July 1, 2011 may participate only in Tier II systems and plans. Tier II consists of four new systems or plans, which include the following:

- Public Employees' Tier II Hybrid Retirement System
- Public Employees' Tier II Defined Contribution Plan
- Public Safety and Firefighter Tier II Hybrid Retirement System
- Public Safety and Firefighter Tier II Defined Contribution Plan

Specifics regarding the application of this legislation will be described hereinafter by section.

**Executive and Appointed Officials**

Section 67-22-1, UCA fixes the salaries for constitutional offices. After considering the recommendation of the Executive and Judicial Compensation Commission, the Legislature did not alter salary ranges.

Section 67-22-2, UCA prescribes the salary range minimum for appointed executives is the lowest minimum salary of all the salary ranges for the appointed executives' deputies. The salary range maximum is 105 percent of the highest maximum salary of all the salary ranges for the appointed executives' deputies. Each year, DHRM recommends a compensation plan for the appointed executives and the board or commission executives to the Governor, based on market salary studies. The Governor determines the salary for each appointed executive, within the salary range. However, the Governor is permitted to establish a salary for the Executive Director of the Department of Health that distinguishes between a physician and non-physician executive director. The salary range maximum for board or commission executives is set at 90 percent of the salary for district judges.

Senate Bill 63 affects governors, other elected, and appointed officials as follows:

Tier I retirement benefits for governors are set by the *Governor's and Legislators' Retirement Act*, which base benefit has been indexed upward to \$1,220 (as of July 1, 2009) per month for each term of service. An additional \$3.50 per month, for each year of service, is payable to members of this plan before March 1, 2000.

Tier II retirement benefits for governors include only the defined contribution option - a 10 percent contribution to the governor's defined contribution plan.

Retirement benefits for Lieutenant Governor, Attorney General, State Auditor, State Treasurer, and appointed officials for both Tiers I and II are the same as for state employees.

The bill also establishes compensation for constitutional offices effective July 1, 2010. The salaries for elected officials (except legislators) and appointed, board, and commission executives are as follows:

**ELECTED OFFICIALS' SALARIES**

	<b>Current Salary</b>	<b>FY 2011</b>	<b>Percent Adjustment</b>
Governor	\$109,900	\$109,900	0.0%
Lieutenant Governor	104,400	104,400	0.0
Attorney General	104,400	104,400	0.0
State Auditor	104,400	104,400	0.0
State Treasurer	104,400	104,400	0.0

**APPOINTED OFFICIALS' SALARIES**

	<b>FY 2011 Range</b>
Appointed Executives	\$67,642 - \$160,222
Board and Commission Executives	\$0 - \$118,935

## Legislators

The LCC recommended that legislative daily pay be raised to \$130 from \$117 for each calendar day of the annual general session, veto-override, special session and other Legislative authorized meetings. LCC also recommended that the President of the Senate and the Speaker of the House each receive an additional \$3,000 per year, while the majority and minority leaders of each house receive an additional \$2,000 per year.

House Bill 287, *Legislator Salary Amendments* (Litvack), rejected the increases recommended by the LCC. Through calendar year 2011, Legislators' salaries remain set at \$117 for each calendar day of the annual general session, veto-override, special session and other Legislative authorized meetings.

Optional health, dental and life insurance benefits are available for legislators who choose to enroll. Legislators may choose to participate in individual, dual, or family coverage and the State will pay 95 percent of the premium for health insurance and 95 percent of the premium for dental insurance. The State pays the full premium for basic life insurance coverage of \$25,000 for each legislator who enrolls in the program.

Medicare supplemental insurance is an additional retirement benefit for legislators who retire after January 1, 1998 and who have reached age 65. Retired legislators must have served four years to qualify. The portion of the premium that the state pays is determined by the number of years a legislator has served. For each year of legislative service, the state pays 10 percent of the benefit, with full premium paid for 10 or more years of service. Legislators who retire prior to age 65 may apply for this benefit if they maintain Public Employee Health Program (PEHP) health insurance coverage at their own expense until they are eligible to apply. This benefit also applies to a legislator's spouse.

For legislators in office before July 1, 2011, Tier I retirement benefits as established by the *Governor's and Legislators' Retirement Act* provides a base benefit that has been indexed upward to \$26.80 (as of July 1, 2009) per month for each year of service. An additional \$3.50 per month, for each year of service, is payable to members of this plan before March 1, 2000.

With Senate Bill 63's changes, legislators entering office on or after July 1, 2011 will receive Tier II retirement benefits that include only the defined contribution option - a 10 percent contribution to the legislator's defined contribution plan.

## State Employees

To address the rising cost of state employees' benefits, the Legislature adopted measures respecting health insurance, retirement systems and plans, and post-retirement employment issues.

House Bill 6, *State Agency Compensation Appropriations* (Dee), approved funding for half of the employer's portion of the rate increase in health care premiums. The other half of the rate increase in health care premiums will be funded through benefit plan changes. The health care premiums percentage breakout between the State and employees on the Preferred Care, Advantage Care, and Summit Care plans is the same as FY 2010. However, employees will see a slight increase in the dollar amount of their health care premiums because they must fund their own portion of the increased health care premium.

The benefit plan changes will increase the out-of-pocket maximum to \$2,500 per individual, \$5,000 per double, and \$7,500 per family. There will also be an additional out-of-pocket maximum to the pharmacy benefit of \$3,000 per individual.

Senate Bill 43, *Post-Retirement Employment* (Liljenquist), amends provisions related to a retiree who returns to work for a participating employer and the restrictions on the maximum retirement allowance certain employees can accrue. In addition, beginning July 1, 2010 a retiree may not return to work with any Utah Retirement System (URS) covered entity within one year of retirement. The separation requirement also prohibits part-time and contract work during the separation period.

As noted earlier, Senate Bill 63 creates two tiers of retirement programs: Tier I retirement systems and plans provide full retirement benefits after 30 years of service (20 years for public safety/fire employees), four percent cost-of-living adjustments on the retirement allowance, a two percent multiplier for each year of service using a three-year final average salary, and a 401(k) employer contribution.

Tier II retirement systems and plans include two options: i) a hybrid option - full retirement benefits after 35 years of service (25 years for public safety/fire employees), 2.5 percent cost-of-living adjustments on the retirement allowance, a 1.5 percent multiplier for each year of service using a five-year final average salary, and a 401(k) employer contribution; and ii) a defined contribution option - 10 percent contribution (12 percent for public safety/fire employees) to the employee's 401(k) plan.

**Public and Higher Education**

Employees at the Utah State Offices of Education, Rehabilitation, and Higher Education are state employees and participate in state compensation and benefits plans. Employees of public schools and higher education institutions participate in state benefits programs; but compensation is set by school districts and higher education institutions.

The Legislature did not change the value of the Weighted Pupil Unit at \$2,577 for FY 2011.

**Judicial Officials**

Under provisions of Section 67-8-2, UCA, the salaries are approved for FY 2011 that are calculated in accordance with statutory formula and rounded to the nearest \$50. Salaries for judges for FY 2011 are listed below.

Judicial officials receive retirement benefits based on age, actual service credit, final average monthly salary, and a sliding scale benefit formula. Senate Bill 63 makes no changes to the retirement program for judicial officials.

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<b>JUDICIAL OFFICIALS' SALARIES</b>			
	<b>Current Salary</b>	<b>FY 2011</b>	<b>Percent Adjustment</b>
Chief Justice	\$147,350	\$147,350	0.0%
Associate Justice	145,350	145,350	0.0
Appeals Court Justice	138,750	138,750	0.0
District Court Judge	132,150	132,150	0.0
Juvenile Court Judge	132,150	132,150	0.0

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**Table 43**  
**BENEFIT COSTS AND RATES FOR STATE EMPLOYEES**  
 FY 2010 and FY 2011

	FY 2010		FY 2011	
	State	Employee	State	Employee
<b>HEALTH INSURANCE</b>				
PEHP Preferred				
Single Coverage	\$4,460	\$1,626	\$4,727	\$1,723
Two Party Coverage	9,196	3,352	9,747	3,553
Family Coverage	12,276	4,475	13,013	4,743
PEHP Advantage Care				
Single Coverage	4,460	235	4,727	249
Two Party Coverage	9,196	484	9,747	513
Family Coverage	12,276	646	13,013	685
PEHP Summit Care				
Single Coverage	4,460	235	4,727	249
Two Party Coverage	9,196	484	9,747	513
Family Coverage	12,276	646	13,013	685
<b>HIGH DEDUCTIBLE HEALTH INSURANCE (a)</b>				
PEHP Preferred High Deductible Health Plan				
Single Coverage	4,460	1,151	4,727	1,220
Two Party Coverage	9,196	2,317	9,747	2,456
Family Coverage	12,276	2,483	13,013	2,632
PEHP Advantage/Summit High Deductible Health Plan				
Single Coverage	4,460	0	4,727	0
Two Party Coverage	9,196	0	9,747	0
Family Coverage	12,276	0	13,013	0
<b>DENTAL INSURANCE</b>				
PEHP Traditional				
Single Coverage	525	168	525	168
Two Party Coverage	667	219	667	219
Family Coverage	967	314	967	314
PEHP Preferred				
Single Coverage	525	28	525	28
Two Party Coverage	667	35	667	35
Family Coverage	967	51	967	51
Value Care				
Single Coverage	520	0	525	36
Two Party Coverage	667	209	667	278
Family Coverage	967	294	967	396

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**Table 43 (Continued)**  
**BENEFIT COSTS AND RATES FOR STATE EMPLOYEES**  
 FY 2010 and FY 2011

	FY 2010		FY 2011	
	State	Employee	State	Employee
<b>RETIREMENT</b>				
State Employees (Contributory)	15.73 %	0.00 %	17.83 %	0.00 %
State Employees (Non-Contributory) (b)	15.72	0.00	17.82	0.00
Public Safety (Contributory)	26.76	4.54	29.43	4.54
Public Safety (Non-Contributory)	30.18	0.00	32.75	0.00
Firefighters	13.49	0.00	16.77	0.00
Judges (Non-Contributory)	17.09	0.00	23.72	0.00
<b>Retirees rehired before 7/1/10 - paid into 401(k):</b>				
Regular Retirement system			11.87	
Public Safety Retirement system			22.90	
<b>Retirees rehired after 6/30/10 (c) - paid into retirement system:</b>				
Regular Retirement system			4.45	
Public Safety Retirement system			9.85	
<b>LONG-TERM DISABILITY</b>	0.60 %		0.60 %	
<b>WORKERS' COMPENSATION</b>	0.70 %		0.70 %	
<b>WORKERS' COMPENSATION (UDOT)</b>	1.25 %		1.25 %	
<b>UNEMPLOYMENT INSURANCE</b>	0.10 %		0.20 %	
<b>SOCIAL SECURITY</b>				
Social Security Taxes				
Rate	6.20 %	6.20 %	6.20 %	6.20 %
Ceiling (Estimate)	\$106,800		\$107,300	
Maximum	\$6,622		\$6,653	
Medicare Taxes				
Rate	1.45 %	1.45 %	1.45 %	1.45 %
<b>LIFE INSURANCE</b>	\$40.82		\$36.66	
<b>TERMINATION POOL LABOR ADDITIVE</b>				
General	7.34 %		5.20 %	
Public Safety	15.71		9.00	
Education	6.90		4.50	
Transportation	10.32		7.90	
<b>WORK HOURS (Based on 4/10s Monday - Thursday)</b>		2,090		2,090
(a) Employer annual amount includes employer paid HSA of \$1,170 (Single) and \$2,340 (Double and Family) for the High Deductible Health Plans.				
(b) Includes employer paid 401(k) of 1.5 percent.				
(c) Implementation of SB 43. Employees rehired after 6/30/10 and qualified to continue receiving retirement benefits will not receive any 401(k) contribution. For these rehired employees there is a required payment to Utah Retirement Systems.				
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Table 43 shows state and employee contributions for state employee benefits.

**Table 44**  
**FULL-TIME EQUIVALENT STATE EMPLOYEES\***  
 FY 2011 Base, Transfers for New Departments, and Appropriations  
 From the 2010 General Session

Agency	Appropriated FTE (FY 2011 Base)	Internal Service Fund FTE (FY 2011 Base)	FY11 FTE Increases - Approved 2010 Session	Final FTE Count for FY11
Administrative Services	152.2	257.5	3.0	412.7
Agriculture and Food	197.6	0.0	(3.0)	194.6
Alcoholic Beverage Control	354.8	0.0	(25.0)	329.8
Attorney General	419.5	0.0	(1.0)	418.5
Board of Pardons	36.2	0.0	0.0	36.2
Capitol Preservation Board	9.6	0.0	0.0	9.6
Career Service Review Office	2.0	0.0	0.0	2.0
Commerce	243.0	0.0	(4.0)	239.0
Community and Culture	224.6	0.0	0.5	225.1
Corrections	2,291.3	0.0	10.0	2,301.3
Courts	1,198.8	0.0	(46.0)	1,152.8
Environmental Quality	389.0	0.0	0.0	389.0
Financial Institutions	65.0	0.0	0.0	65.0
Governor's Office	108.2	0.0	0.0	108.2
Governor's Office of Econ. Dev.	63.0	0.0	2.5	65.5
Health	1,015.2	0.0	(3.5)	1,011.7
Human Resource Management	18.0	148.8	(1.0)	165.8
Human Services	3,541.3	0.0	(277.2)	3,264.1
Insurance	83.0	0.0	(1.0)	82.0
Juvenile Justice Services	965.1	0.0	0.0	965.1
Labor Commission	115.4	0.0	(11.0)	104.4
Legislature	123.0	0.0	0.0	123.0
National Guard	194.0	0.0	0.0	194.0
Natural Resources	1,313.6	2.0	(5.0)	1,310.6
Public Lands Policy Office	9.0	0.0	0.0	9.0
Public Safety	1,171.0	0.0	27.0	1,198.0
Public Service Commission	22.0	0.0	0.0	22.0
Science, Technology, and Research	24.3	0.0	0.0	24.3
State Auditor	43.2	0.0	0.0	43.2
State Office of Rehabilitation	452.0	0.0	0.0	452.0
State School Board	689.0	42.0	(8.0)	723.0
Tax Commission	762.3	0.0	(12.0)	750.3
Technology Services	21.0	847.0	0.0	868.0
Transportation	1,639.0	0.0	0.0	1,639.0
Treasurer	27.3	0.0	0.0	27.3
Trust Lands Administration	74.1	0.0	0.0	74.1
Veterans' Affairs	13.8	0.0	0.0	13.8
Workforce Services	2,104.0	0.0	(40.0)	2,064.0
<b>Total FTEs:</b>	<b>20,175.4</b>	<b>1,297.3</b>	<b>(394.7)</b>	<b>21,078.0</b>

\* FTE counts reflect the best estimates at the conclusion of the 2010 General Session.