

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

AN ACT relating to firemen pensions; providing legislative findings; reducing future cost-of-living increases for certain retired firemen and dependents; specifying application of the act; requiring contributions from employers; providing for loans to employers as specified; providing for the withholding of certain fund distributions to employers failing to repay loans; creating an account; providing for a distribution of fire insurance premium taxes to the account and reducing other distribution of those taxes accordingly; providing appropriations; and providing for an effective date.

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

**Section 1.** W.S. 15-5-211 is created to read:

**15-5-211. Fire A pension plan legislative findings.**

(a) The legislature finds:

(i) The paid firemen's pension plan was established in 1935 and restructured in 1981. In 1981 with the restructuring of the paid firemen's pension plan, the original firemen's pension plan became known as "paid firemen plan A" or "Fire A". The legislature contributed approximately forty-six million eight hundred thousand dollars (\$46,800,000.00) between 1981 and 1996 to make up the accumulated underfunding of Fire A from inception to the point of restructuring;

(ii) Statute has directed since the inception of the paid firemen's pension plan and as provided in W.S. 15-5-202 that the firemen's pension account shall be administered without liability on the part of the state beyond the amount of the fund;

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

(iii) Upon recommendation from the Wyoming retirement system and consulting actuaries, the legislature adopted an act ceasing contributions to Fire A as of April 1, 1997. This included the previously required contributions of eight percent (8%) of salary, employer contributions of twenty-one percent (21%) of salary and contributions of fifty percent (50%) of the fire insurance premium tax collected by the state each year;

(iv) Had employers and employees made contributions between April 1, 1997 and December 31, 2020 the estimated contributions would be worth approximately thirty-three million dollars (\$33,000,000.00) as of December 31, 2020, using a seven percent (7%) annual rate of return;

(v) Upon the recommendation of the Wyoming retirement system and consulting actuaries, the legislature repeatedly increased benefits for Fire A members and retirees. Increases included an increase of the percentage of salary used to calculate benefits, the removal of a cap on benefits and the increase of benefits for surviving spouses from thirty-three and one-third percent (33 1/3%) up to one hundred percent (100%);

(vi) Despite an actuarial report dated January 1, 2002 noting a deteriorated funded position of Fire A, employee and employer contributions were not reinstated;

(vii) The Wyoming retirement system reports that the Fire A retiree pension payroll was nine million three hundred thousand dollars (\$9,300,000.00) in 2002 and is estimated to be sixteen million three hundred thousand dollars (\$16,300,000.00) in 2021. This increase is

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

primarily due to the statutory three percent (3%) annual compounded cost-of-living adjustment that has been in effect since 2004;

(viii) In 2014 a bill to improve the funded status of Fire A by reducing the cost of living provision and restarting contributions from employers and the state did not pass the legislature;

(ix) The retirement system board shifted the investments of Fire A to a fixed-income portfolio on January 1, 2021;

(x) The retirement system actuaries estimate Fire A will exhaust all assets sometime in 2026 if no changes are made;

(xi) As of January 1, 2021, there were two hundred sixty-six (266) retirees and surviving spouses eligible to receive benefits from Fire A;

(xii) The Wyoming retirement system calculator provided to the legislature estimates that if the funding for Fire A were to be solved entirely with contributions, it would require a total contribution of one hundred forty-eight million one hundred thousand dollars (\$148,100,000.00) on January 1, 2022, assuming assets are reinvested in a diversified portfolio;

(xiii) The Wyoming retirement system calculator provided to the legislature estimates that if the funding for Fire A were to be solved entirely with benefit reductions, it would require elimination of all future cost-of-living adjustments and an additional benefit reduction of fifty-seven percent (57%) of all current

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

benefits on January 1, 2022. This assumes assets are reinvested in a diversified portfolio;

(xiv) A combination of benefit reductions and additional contributions could be used to provide for the funding requirements to make Fire A actuarially solvent for the remaining life of the plan.

**Section 2.** W.S. 9-4-601(a) by creating a new paragraph (xii), 15-5-201(a) by creating a new paragraph (xvii), 15-5-202 by creating a new subsection (e), 15-5-203 by creating a new subsection (h), 15-5-204(g), 26-4-102(b)(ii) and 39-14-801(d)(intro) and by creating a new subsection (j) are amended to read:

**9-4-601. Distribution and use; funds, accounts, cities and towns benefited; exception for bonus payments.**

(a) All monies received by the state of Wyoming from the secretary of the treasury of the United States under the provisions of the act of congress of February 25, 1920 (41 Stat. 437, 450; 30 U.S.C. §§ 181, 191), as amended, or from lessees or authorized mine operators and all monies received by the state from its sale of production from federal mineral leases subject to the act of congress of February 25, 1920 (41 Stat. 437, 450; 30 U.S.C. §§ 181, 191) as amended, except as provided by subsection (b) of this section, shall be deposited into an account and the first two hundred million dollars (\$200,000,000.00) of revenues received in any fiscal year shall be distributed by the state treasurer as provided in this subsection. One percent (1%) of these revenues shall be credited to the general fund as an administrative fee, and the remainder shall be distributed as follows:

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

(xii) If insufficient funds are available under W.S. 39-14-801(j) to fully satisfy any delinquent payment owed by a city or county under W.S. 15-5-203(h), the state treasurer shall withhold from any payment due to a city or county under this subsection an amount as necessary to satisfy any delinquent payment owed by a city or county under W.S. 15-5-203(h). The withheld amount shall be deposited to the legislative stabilization reserve account and credited against the delinquent entity's unpaid loan amount.

**15-5-201. Definitions.**

(a) As used in this article:

(xvii) "Surviving spouse" shall not include any person who was first married to a paid fireman or retired fireman on or after April 1, 2022.

**15-5-202. Pension account; creation; administration; donations; investment; dual participation prohibited.**

(e) There is created the Fire A legislative reserve account. Funds in the account shall only be expended for the purposes of funding the shortfall in Fire A as identified in the legislative findings under W.S. 15-5-211. Funds in the account shall be invested in the same manner as funds in the firemen's pension account created by W.S. 15-5-202 and all investment earnings from the Fire A legislative reserve account shall be credited to the Fire A legislative reserve account. Funds in the account shall only be expended if funds in the firemen's pension account are insufficient to provide benefits under this article. Funds in the Fire A legislative reserve account shall

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

revert to the general fund once no person remains alive who is entitled to benefits under this article.

**15-5-203. Firemen and employer contributions; imposition at discretion of board; amounts; how and when collected, suspended and reinstated.**

(h) In addition to any other contribution required or authorized by this section, on April 1, 2022 the board shall assess employers for contributions in a total amount of twenty million dollars (\$20,000,000.00) in order to achieve a proper actuarial funding level for the firemen's pension account in accordance with the legislative findings under W.S 15-5-211. The total assessment under this subsection shall be paid proportionately by employers with payments allocated to each employer by the board based upon the number of retirees, surviving spouses or other dependents receiving benefits under this article from the firemen's pension account as of April 1, 2022. The state treasurer shall provide a loan to each employer for the payment required under this subsection which amounts shall be credited to the Fire A legislative reserve account. Loans under this subsection shall be repaid without interest over a period of twenty (20) years in equal payments in the time and manner required by the state treasurer and shall be deposited in the legislative stabilization reserve account. If repayment is not paid to the state treasurer when due, the state treasurer shall make the delinquent payment as provided in W.S. 39-14-801(j) and 9-4-601(a)(xii). Any delinquency not satisfied by those withholdings may be recovered in an action authorized under subsection (d) of this section, together with interest on the amount recovered as provided therein.

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

**15-5-204. Pensions; amounts; qualifications; when paid; disability benefits; disqualifications; examinations; disallowance; actions; adjustment.**

(g) Any pension benefit, survivor benefit or disability benefit received by an eligible individual under this article, and the fireman for whom the benefit is generated has been retired for a period of not less than one (1) year, shall not be increased ~~each year by at least three percent (3%). In the event the most current actuarial valuation indicates the market value of assets is greater than one hundred fifteen percent (115%) of the actuarial value of liabilities, the board may increase the benefit by an amount determined affordable by the actuary, but in no case shall the total increase be greater than five percent (5%) of the benefit. Any increase under this subsection shall be added to the pension benefit, survivor benefit or disability benefit and compounded for purposes of determining the total benefit amount in subsequent years~~ after April 1, 2022.

**26-4-102. Record of receipts; payment to treasurer; credit to fund.**

(b) The commissioner shall promptly deposit all monies he receives from any charges to the general fund, with receipt and acknowledgement submitted to the state treasurer, except that:

(ii) ~~Up to one hundred percent (100%)~~ Sixty percent (60%) of the gross premium tax levied upon fire insurance premiums shall be deposited by the state treasurer in the volunteer firefighter, EMT and search and rescue pension account pursuant to W.S. 35-9-628 and forty percent (40%) of the gross premium tax levied upon fire

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

insurance premiums shall be deposited by the state treasurer in the Fire A legislative reserve account created by W.S. 15-5-202(e). For purposes of this paragraph, the gross premium tax levied upon fire insurance premiums is equal to thirty percent (30%) of the total gross premium tax levied upon all property, casualty and multiple line insurers;

**39-14-801. Severance tax distributions; distribution account created; formula.**

(d) After making distributions pursuant to subsections (b), (c), ~~and~~ (f) and (j) of this section, distributions under subsection (e) of this section shall be made from the severance tax distribution account. The amount of distributions under subsection (e) of this section shall not exceed one hundred fifty-five million dollars (\$155,000,000.00) in any fiscal year. To the extent that distributions under subsection (e) of this section would exceed that amount in any fiscal year, except as provided in subsections (g) and (h) of this section, the excess shall be credited:

(j) The state treasurer shall withhold from any payment due to a city or county under this section an amount equal to any delinquent payment owed by a city or county under W.S. 15-5-203(h). The withheld amount shall be deposited to the legislative stabilization reserve account and credited against the delinquent entity's unpaid loan amount.

**Section 3.** The reduction in benefit increases in W.S. 15-5-204(g), as amended by section 2 of this act, shall not apply to any increases implemented by that subsection prior to the effective date of this act.

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

**Section 4.**

(a) There is appropriated fifty-five million dollars (\$55,000,000.00) from the general fund to the Fire A legislative reserve account created by W.S. 15-5-202(e).

(b) There is appropriated twenty million dollars (\$20,000,000.00) on behalf of the employers that are required to contribute as provided in W.S. 15-5-203(h) from the legislative stabilization reserve account to the Fire A legislative reserve account created by W.S. 15-5-202(e). The amount provided on behalf of employers under this subsection shall be repaid to the legislative stabilization reserve account by the employers as provided in W.S. 15-5-203(h).

ORIGINAL SENATE  
FILE NO. SF0039

ENGROSSED

ENROLLED ACT NO. 6, SENATE

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2022 BUDGET SESSION

**Section 5.** This act is effective April 1, 2022.

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the Senate.

\_\_\_\_\_  
Chief Clerk