



# Wyoming Retirement System

*Partnering to Build Financial Security for Members and their Families*

**Mark Gordon**  
Governor

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Executive Director

## **HB0083 Public retirement – actuarially determined contributions**

**Summary:** This proposal adopts a “best practice” method to manage contribution rates according to actuarial analysis in FY2027 (July 1, 2026) and beyond.

**Position:** WRS supports the proposal

### **Highlights:**

- Rates adjust once every two years on July 1<sup>st</sup> of the even-numbered year
- January 1, 2025 - measurement date
- April 15, 2025 - report of ADC to state agencies, legislature and employers
- Incorporated into state budget process in July-Dec 2025
- Included in the budget adopted in February 2026
- New rate effective July 1, 2026
- Stays in effect until July 1, 2028, which is informed by a similar process.
- Rates can't increase by more than 50 bps in any given two-year period.
- Rates can't be decreased below normal cost
- Rates can't be reduced unless the fund is at least 99% funded
- Rate adjustments are split evenly between the employer and employee. Employers can pay all or part of the employee portion if they wish. For state employees, the current subsidy of a 5.57% component remains; so future adjustments (up or down) would be shared equally absent further legislation.

**Rationale:** Contributing the Actuarially Determined Contribution (ADC) rate is necessary if the plan is to stay on the path toward full funding in about 25 years. Adopting an administrative mechanism to adjust rates according to professional analysis within legislated guardrails is a recognized “best practice” that has been helpful in many other states.

### **Facts Bearing on the Situation:**

- The current 18.62% rate is 1.99% less than what the actuaries recommend.
- Separate legislation would “manually” increase the rate by 1% over the next two years.
- The ADC concept would take over 1 July 2026 and adjust rates every two years according to the most recent ADC calculations. Analysis suggests that once the ADC rate has been achieved, the rate is relatively stable.
- Achieving the ADC rate keeps the plan on track toward full funding in about 25 years. Doing so eventually lowers the rate as one is no longer needing to make progress on the unfunded liability since that goal would be achieved.
- Changing rates in small increments sooner rather than larger increments later improves plan funding and is more manageable for government budgets.



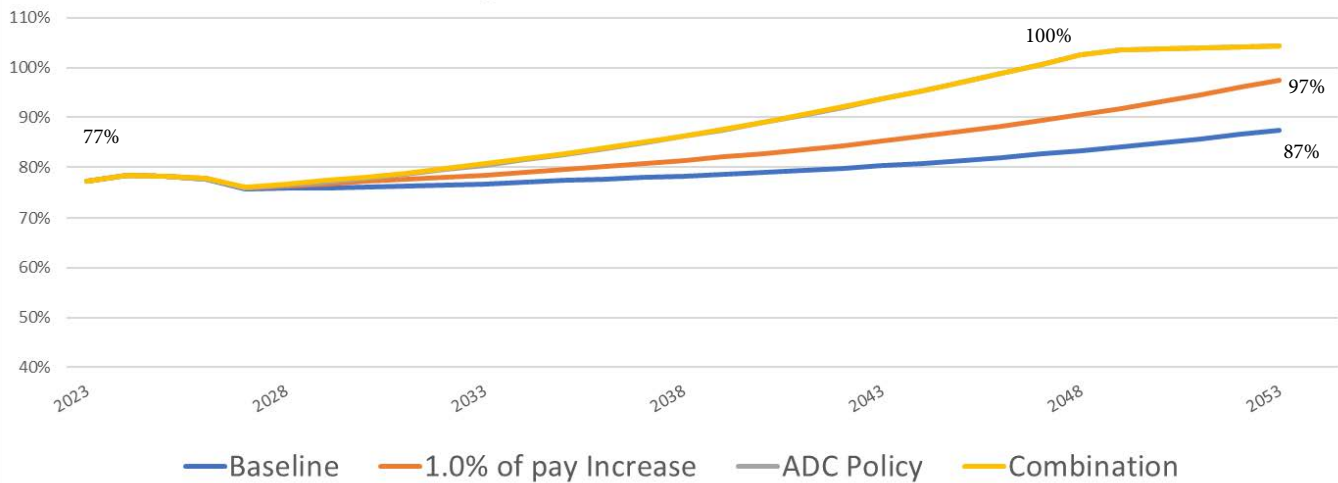
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## Projected Funded Ratio



## Projected Total Contribution Rate

