

Box Elder School District
Recommendation for the Pickup of Non-Contributory Rates for the Retirement System

Non-Contributory Retirement Rates

Recommendation: It is recommended that the Board of Education approve the non-contributory retirement rates for the 2025-26 fiscal year for both Tier 1 and Tier 2 employees and the pickup rates for the employee on the contributory retirement plan as calculated by URS.

Recommended Motion: *I move that the BESD Board of Education approve the non-contributory retirement rates for the 25-26 fiscal year for both Tier 1 and Tier 2 employees and pickup rates for the contributory retirement plan employee as published by Utah Retirement Systems.*

Background: Annually the Board must approve the contribution rates paid on behalf of employees to the Utah Retirement System for both Tier 1 and Tier 2 employees. These rates are set by the URS Board but must be ratified by each local entity. The rates for the non-contributory retirement system this year are 22.70% for Tier 1, 20.32% for Tier 2 and 22.70%. All but one of our employees are in the non-contributory system. Currently, we have one employee still on the contributory system. The district “picks up” the pension needs of this employee by paying a contribution on their behalf. To follow the Internal Revenue Service and the Utah Retirement Systems regulations, we are required to provide a formal adoption of any pick-up elections that are currently taking place. The district pays the 6% Employee contribution for a total of 22.70% contribution. The employee makes the 401K contribution.

Policy Implications: This would be the same procedure followed in the past for providing employee benefits. Financial Implications: There are no known negative implications.

Staff Implications: None at this time