Utah Retirement Systems

Employer Services Department
PO Box 1590 | Salt Lake City, UT 84110-1590
801-366-7318 | 800-753-7318
www.urs.org

July 31, 2025

David Brickey
Magna City
8952 West Magna Main Street
Magna UT 84044

Employer No. 398

Dear Mr. Brickey:

We have completed the compliance audit of Magna City's administration of the Utah Retirement Systems' Public Employees' Contributory and Noncontributory Retirement System. Enclosed is the compliance audit report.

In this report, we have included one recommendation and three findings which require your immediate attention.

Magna City is required to take corrective action for the findings immediately. A follow-up audit will be conducted within 6 months to determine if corrective action has been taken. Failure to take corrective action for the finding subjects Magna City to penalties outlined under, Utah Code § 49-11-601 and Utah Code § 49-11-604(2) including continuing follow up audits at the Magna City expense.

Please sign the attached memo acknowledging the receipt of the attached report and return it to me at samantha.goodwin@urs.org by August 1, 2025.

We appreciate your efforts in assuring compliance with employer responsibilities in the administration of the Utah Retirement Systems' Public Employees' Contributory and Noncontributory Retirement System.

Please call me at 801-366-7502 if you have any questions about the compliance audit report.

Sincerely,

Samantha Goodwin

Samantha Goodwin
Compliance Auditor
Employer Services

Enclosure

Cc: Eric Barney – Mayor
Joel Grant – HR Manager

COMPLIANCE AUDIT REPORT

Employer	Magna City	**Report Date**	July 31, 2025
	8952 West Magna Main Street		
	Magna UT 84044		
Employer No.	398	**Prepared By**	Samantha Goodwin
Contact	David Brickey	**Reviewed By**	Beverly Snyder

Purpose

For this compliance audit, we examined Magna City's (city) policies and procedures for administering the Utah Retirement Systems' (URS) Public Employees' Contributory and Noncontributory Retirement System in accordance with Title 49, the Utah State Retirement and Insurance Benefit Act. Compliance requirements for the administration of the URS administered public employees' retirement benefits include: policies for defining eligibility for coverage; calculation, reporting, and payment of appropriate contributions; documentation processes for the enrollment, change in status, and leave periods of members; and management of plan related records for members.

Summary

This round 4 compliance audit covered the period of June 30, 2023, thru July 5, 2025.

In conducting this audit, we found that Magna City has an interlocal agreement with another participating employer and staff utilizes the policies and procedures for administering the defined benefit and defined contribution retirement plans.

We have included one recommendation and three findings in the Compliance Audit Results section of this report.

- Recommendation:
  - Process improvements related to identification, certification, and reporting of reemployed retirees
- Findings:
  - Implementation of documentation determining eligibility for Tier 2 Elected Officials and Appointive Officers
  - Process improvements related to eligibility for employees
  - Process improvements for submitting contribution files to be compliant with state law

Compliance Audit Results

We assessed the following areas as part of the compliance audit:

- **Documentation Required Under Title 49**

  Utah Code § 49-22-102(6)(b) requires employers to officially designate Tier 2 elected official and appointive officer positions as fulltime eligible or part-time ineligible. The documentation can be a personnel policy or a board resolution.

  Finding

  - Magna City staff is required to implement documentation which designates the eligibility status of Tier 2 elected official and appointive officer positions. Magna City staff can reference Utah Code § 49-13-102 for additional information regarding eligibility requirements for elected officials and appointive officers.

    Magna City staff provided a draft of the tier 2 policy during the audit process. Staff is required to submit the above approved documentation by August 27, 2025.

- **Status Notifications**

  In testing eligibility for elected officials and appointive officers, we found that Magna City staff had not determined eligibility correctly for the Elected Officials and Appointive Officers.

  Tier 1 elected officials and appointive officers qualify for membership based on earnings only. Eligibility is based on the Minimum Earnings Requirements. Effective February 1, 2025, the minimum earnings requirement increased to $1,328 per month.

  Tier 2 elected officials and appointive officers qualify for eligibility based on documentation that each employer is required to have on file, designating whether the official is full-time eligible or part-time ineligible.

  Finding

  - Magna City staff is required to update processes for determining eligibility for Tier 1 and Tier 2 elected officials and appointive officers. Magna City staff is responsible to continuously monitor eligibility status for all elected officials and appointive officers. Magna City staff can reference Utah Code § 49-12-102 and Utah Code § 49-22-102 regarding eligibility for elected officials and appointive officers in Title 49.

    At the time of the compliance audit, Magna City staff completed the required Certification of Eligibility process for all elected officials and appointive officers who have met eligibility requirements. In addition, Magna City staff has submitted detailed payroll documentation for each eligible official so that adjustments can be completed back to the date eligibility began.

Compliance Audit Results (Continued)

In testing reemployed retirees, we found that Magna City staff has not been identifying, certifying, and reporting all reemployed retirees on the contribution file. All reemployed retirees, regardless of their status, must be certified on the URS Employer Portal and added to the employer contribution file that is submitted to URS.

Recommendation

- Magna City staff is required to improve processes to identify, certify and report all reemployed retirees on the contribution file and monitor the limitations each reemployed retiree may have during their employment. Magna City staff can refer to Utah Code § 49-11-1202 for additional information on reemployed retiree employment.

We encourage Magna City staff to continue to use the Employee Management Center to certify all employees, including elected and appointed officials, and to terminate each as they separate from employment. URS strives to document precise employment periods for all members. By documenting clear and precise employment periods, employers will be aware of the employees' status with URS. Knowing an employee's status with URS is important for all types of employees, especially if the employer were to hire a retiree receiving a benefit from our office. With the Employee Management Center, staff can print confirmation notices for their records.

- **Contribution Reporting**

In testing Magna City's contribution reporting cycles, we found that Magna City staff has not submitted contribution files to URS since the date of approval into the retirement system. Employers are required to submit contribution information and payment as soon as practical after the end of their payroll period, but not later than 30 days after the period end date.

Finding

- Magna City staff is required to update their contribution reporting process to report contributions to URS within the 30-day established timeframe. Magna City staff can reference Utah Code § 49-11-604 for additional information on the contribution reporting process.

Compliance Audit Results (Continued)

- **Employer Training**

  Magna City staff would continue to benefit from reviewing information from URS and applying changes to the processes they manage as needed.

  URS strives to provide educational opportunities to all employers. URS offers various trainings throughout the year. Upcoming trainings are listed below. Employers will receive an email each time new trainings become available. Staff can also reference the Employer Portal to view upcoming trainings.

Date	Training	Location
At Your Convenience	**Knowledge Corner on the Employer Portal**	**Webinars**
August 20, 2025	**Retirement Basics Plus (Registration Required)**	**URS Building**
September 17, 2025	**Retirement Basics Plus / How to Be Compliance Audit Ready (Registration Required)**	**St. George**
October 15, 2025	**Retirement Basics Plus / How to Be Compliance Audit Ready (Registration Required)**	**Richfield**

Final Remarks

URS staff is available to help Magna City staff in their efforts of continued compliance in performing their defined benefit and defined contribution retirement plan related responsibilities.

Resource Numbers	
Employer Services	**801-366-7318**
Retirement	**801-366-7770**
Defined Contribution	**801-366-7720**
Marketing: Investment Advice	**801-366-7414**
All Other	**801-366-7700**

This audit and the resulting report are intended as a general review of your current policies

and procedures regarding retirement administration. It is not a certification or guarantee that there may not be errors or omissions that would need to be corrected in the future if discovered.

To: David Brickey
Magna City, EN398

From: Samantha Goodwin

Date: July 31, 2025

Subject: Acknowledgement of Compliance Audit Report Received

This memo acknowledges receipt of the Round 4 Compliance Audit Report dated Thursday, July 31, 2025.

The report contains one recommendation and three findings which require your immediate attention.

Please sign below, acknowledging receipt of the attached report, and return the signature page to me by Friday, August 1, 2025, with any questions you may have.

Thank you for your prompt attention to this matter.

David R. Brickey – City Administrator

July 31, 2025
Date