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PUBLIC SAFETY RETIREMENT DEATH

BENEFIT MODIFICATIONS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jon J. Greiner

House Sponsor: Ron Bigelow

LONG TITLE

Committee Note:

The Retirement and Independent Entities Interim Committee recommended this bill.

General Description:

This bill raises the cap on the death benefits of retired members of the public safety retirement systems.

Highlighted Provisions:

This bill:

- ▶ raises the cap on the death benefits of retired members of the Public Safety Contributory Retirement System; and
- ▶ raises the cap on the death benefits of retired members of the Public Safety Noncontributory Retirement System.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2008.

Utah Code Sections Affected:

AMENDS:

49-14-504, as renumbered and amended by Laws of Utah 2002, Chapter 250

49-15-504, as last amended by Laws of Utah 2003, Chapter 240



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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **49-14-504** is amended to read:

49-14-504. Benefits payable upon death of retired member.

(1) If a retiree who retired under either Division A or Division B dies, the retiree's spouse at the time of death shall receive an allowance equal to [~~65%~~] 75% of the allowance that was being paid to the retiree at the time of death.

(2) If the retiree retired solely under Division B and dies leaving unmarried children under the age of 18 or dependent unmarried mentally or physically disabled children, the children shall qualify for a benefit as prescribed for children under Subsection 49-14-502(1)(c) which is payable on the first day of the month following the month in which the retiree died.

Section 2. Section **49-15-504** is amended to read:

49-15-504. Benefits payable upon death of retired member.

(1) If a retiree who retired under either Division A or Division B dies, the retiree's spouse at the time of death shall receive an allowance equal to [~~65%~~] 75% of the allowance that was being paid to the retiree at the time of death.

(2) If the retiree retired solely under Division B and dies leaving unmarried children under the age of 18 or dependent unmarried mentally or physically disabled children, the children shall qualify for a benefit as prescribed under Subsection 49-15-502(1)(d) which is payable on the first day of the month following the month in which the retiree died.

Section 3. **Effective date.**

This bill takes effect on July 1, 2008.

Legislative Review Note
as of 11-14-07 1:00 PM

Office of Legislative Research and General Counsel

S.B. 18 - Public Safety Retirement Death Benefit Modifications

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will cause retirement contribution rates to increase for all current employees covered by the public safety retirement plans. This require an appropriation of approximately \$1.3 million distributed to state agencies that employ individuals covered by these plans.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$1,215,500	\$1,215,500	\$0	\$0	\$0
Transportation Fund	\$0	\$500	\$500	\$0	\$0	\$0
Federal Funds	\$0	\$7,500	\$7,500	\$0	\$0	\$0
Dedicated Credits	\$0	\$28,600	\$28,600	\$0	\$0	\$0
Restricted Funds	\$0	\$67,000	\$67,000	\$0	\$0	\$0
Total	\$0	\$1,319,100	\$1,319,100	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill will affect local governments, whose retirement rates for employees covered by the public safety retirement plans would increase between 0.75 and 1.30 percentage points. The individual impact on local employers and employees will vary based on whether or not employees pay a portion of their pension contributions.

Some spouses of deceased members of the public safety retirement plans will receive a higher allowance if this bill is enacted.